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THE DEPARTMENT OF STATE

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A New Era in Free-World Economic Growth

by Under Secretary Dillon¹

I am pleased and honored to be here with you tonight as you conclude your thoughtful examination of our country's role in international economic affairs. Your panel moderators have reported well on your discussions of the United States and its relationship to the European Common Market, the newly developing countries, and the Communist economic offensive. It is against this background that I wish to discuss the prospects for free-world economic growth as we enter the sixties.

The outlook for the sixties has been shaped by forces which gathered momentum during the postwar period and the fifties: by the remarkable recovery of Western Europe and Japan from the ravages of war, by the accelerated expansion of our own economy, by the substantial growth in economic power of the Soviet Union, and by the mounting insistence of hundreds of millions of newly independent peoples on sharing in the material blessings of the modern world.

These developments have set the stage for a whole new era in the sixties. One of its predominant features will be the great socioeconomic revolution which is sweeping the newly developing areas of the free world. This force represents the legitimate aspirations of the free world's underprivileged peoples for a better life. These peoples, numbering more than a billion, hold in their hands the future balance of world power. They wish to live in freedom. But to them, freedom from want is of overriding importance. They are learning that they cannot enjoy their newly

won political freedoms without an adequate measure of economic progress. They are exerting tremendous pressure on their leaders to achieve progress through one means or another.

Herein lies a great challenge for us in the sixties—and a great danger as well. The stakes are high—possibly no less than the continued existence of individual liberty on this planet. In cooperation with other free-world industrialized nations, we must assist the newly developing countries in their struggle to improve their people's lot in order that they can maintain their confidence in progress under free institutions. This will require both capital and know-how in substantial amounts throughout the sixties. The alternative is terrible to contemplate. For if these peoples cannot see hope of progress in freedom, they will surely collapse in chaos and disorder and in their desperation they will try the totalitarian route which is being offered them day and night by international communism.

The Soviet leaders are fully aware of the challenge to our system and to theirs which is posed by the aspirations of the newly emerging areas. They have accepted this challenge and are proclaiming their confidence of success in economic competition with our system of free institutions. The present economic strength of the Soviet Union and its continued rapid progress make it clear that this is a most serious challenge. To meet it, we of the industrialized free world must see to it that our own economies continue to grow and strengthen at the same time that we provide a helping hand to our less privileged friends in the newly developing lands.

The industrialized free world enters the sixties in a position of great economic strength. Postwar

¹Address made before the sixth annual conference on international affairs sponsored by the Cincinnati Council on World Affairs at Cincinnati, Ohio, on Feb. 19 (press release 77).

economic recovery is complete in Western Europe and Japan. Prosperity has reached new, alltime highs in the United States and Canada. The industrialized countries of the free world have the means and the ability to surmount the challenge of the sixties. What is needed is the will and determination to succeed. The prize of success is well worth the effort. For, as the newly developing countries grow in freedom and as it becomes clearer that the way of freedom has been irrevocably chosen by the great majority of the peoples of the earth, the power of their example will prove irresistible—even within the ramparts of the Communist empire. This is the surest way to a secure and lasting world peace, the supreme goal of all mankind.

Need for U.S. Leadership

Although the prospects for a concerted effort to speed the free world's progress are bright, the task is truly formidable. It is one to which we shall have to continue to bring leadership in the sixties, just as we did in the late forties and the fifties.

Now let me explain what I mean by leadership: I most assuredly do not imply superiority or domination. For reasons not of our own making, we had a dominant position in the postwar economy of the free world. But that clearly abnormal period has now passed with the resurging economic strength of our industrialized allies. What we seek today, as in the past, is partnership with our fellow members of the interdependent community of free nations, in which no one nation has a monopoly on human skills, energies, or inspiration. Within the framework of that partnership, however, there is a continuing need for leadership. As the most materially favored member of the free-world community, we must accept this responsibility in meeting the challenge of the sixties.

Let us recall that even before the Second World War ended the United States had taken a leading role in planning for a more effective international economic system than the one that had broken down so disastrously in the thirties. The International Bank for Reconstruction and Development had been agreed upon by 1944. So had the International Monetary Fund. And much preliminary work had been done along lines which shortly thereafter evolved into the General Agreement on Tariffs and Trade.

Although wartime planners for economic peace had done their work well, they underestimated by a wide margin the magnitude of the immediate postwar economic crisis in Europe and Asia, which developed with frightening speed and intensity in 1946 and 1947.

Germany and Japan were occupied, and we had to find and develop policies that would enable the German and Japanese peoples to put their productive genius back to work. Great Britain and our continental allies were also in difficult circumstances. Despite its tremendous productive potential, the European economy was nearing a catastrophic collapse. There seemed to be no prospect that ordinary methods could bring about a recovery in time to avoid chaos.

Bold action was called for. We responded with the Marshall plan, which made an historic contribution to the restoration of economic health and vigor in Western Europe. Our policies in Germany and Japan were remarkably effective in helping to reestablish an economic base that could support democratic institutions. Success came rapidly. By the early fifties, nearly all of the industrialized states of the free world were beginning to push ahead on their own power.

As the need for American aid to Western Europe tapered off, we turned our attention increasingly to the less developed countries, which now receive the great bulk of our assistance. We took an active role in the technical assistance efforts of the United Nations. We created a new lending institution of our own, the Development Loan Fund, to supplement the work of our long-established Export-Import Bank. We participated earlier this month in launching the new Inter-American Development Bank.² And we are now taking part, with like-minded countries, in establishing another new institution to be called the International Development Association,³ which will operate as an affiliate of the World Bank and which is designed to make capital available to the less developed countries on flexible terms.

Postwar Trade Policies

Throughout the period of postwar reconstruction we vigorously put forward our firm belief that liberal international trade policies are essential to free-world economic progress. We have

² See p. 427.

³ See p. 422.

endeavored to demonstrate that belief in our own trade arrangements. Despite some setbacks, our overall record is one of which we can justly be proud. Until fairly recently, however, ours has been a rather lonely position. The industrial nations, with few exceptions, clung to exchange controls and severe quantitative import restrictions to protect their meager foreign exchange reserves. Many of the less developed countries also maintained import restrictions for balance-of-payments reasons. In addition most of them felt that a measure of protectionism would foster much needed industrial growth.

We were tolerant of the trade restrictions applied by our friends and partners during the era of the so-called dollar shortage. But today the situation is very different. Most of the industrial nations have built their gold and foreign exchange reserves to quite satisfactory levels and have made their currencies convertible in international trade. Their manufacturing industries are now generally competitive with ours. Meanwhile their gains in reserves have come largely from U.S. stocks, with U.S. balance-of-payments deficits running at far larger rates than can be long sustained. Throughout the past year, therefore, we have been making it clear that we believe recovery has proceeded to a point where restrictions on trade imposed to meet the financial problems of a decade ago can no longer be justified.

Fortunately the need to do away with discriminations against imports from the dollar area has been recognized by the other industrialized nations and in some of the newly developing areas as well. Action to eliminate discriminations recently taken by Australia, New Zealand, the United Kingdom, Denmark, Sweden, Norway, the Federation of Rhodesia and Nyasaland, the Netherlands, and India has left only a few remaining discriminations against dollar goods in these countries. During the last 6 months, steps to substantially lessen discriminatory restrictions were also taken by France, Germany, Japan, Finland, Turkey, Spain, Singapore, Malaya, Ghana, and British East Africa. This progress continued last month, when Portugal, Kenya, the United Kingdom, Japan, and Italy announced that discriminatory restrictions on many products from the dollar area would be eliminated.

The drive to remove quantitative import restrictions on dollar goods has received so constructive

a response and has developed such momentum that we can look forward confidently to further advances in the coming months. We can reasonably hope that by the end of the year discrimination against our exports will be almost a thing of the past.

As a result of these moves, potential markets for many important American products, covering a wide range of our industrial, consumer, and agricultural output, have greatly increased. This is true not only in the industrialized countries but also in the newly developing lands, whose present need is for capital goods but whose peoples will eventually offer a tremendous market for consumer goods.

But the opening of long-closed markets does not in itself guarantee a rise in our exports. It *does* provide the needed opportunity—but it is up to private American business to capitalize on this opportunity. A substantial export surplus has become a vital necessity if we are to continue to carry our free-world responsibilities. We in Government are determined to do everything in our power to help in this export drive.

Accordingly the Department of State is working with the Department of Commerce and other agencies in giving urgent attention to this vital matter. We are studying means of stimulating a greater interest in foreign trade in American business circles and of providing better United States Government facilities, both at home and abroad, to assist American firms in selling their goods and services to foreign countries.

The Department of State has, of course, a very strong interest in this program, and we are seeking ways of improving the operations of our commercial staffs abroad. We also intend to make full use of all the members of our diplomatic missions and consular offices in expanding United States exports. We are giving greater attention to increased United States participation in trade fairs. And we are intensifying our efforts to promote travel to the United States.

Common Market and Free Trade Association

Other problems related to trade have recently been emerging in connection with the European Economic Community, or Common Market, and the European Free Trade Association.

The Common Market will bring together the six countries of France, Germany, Italy, Belgium,

the Netherlands, and Luxembourg in a full customs union, with free trade inside the market and a common external tariff. The Community will also develop other common financial and administrative institutions. The European Free Trade Association, on the other hand, provides for free trade, without a common external tariff, among the seven countries of the United Kingdom, Sweden, Norway, Denmark, Switzerland, Portugal, and Austria.

It is our purpose to work with the countries of both the Common Market and the Free Trade Association to reduce trade difficulties between them and with other countries, to avoid new discriminations against our own exports, and to encourage them to reduce tariffs in accordance with the basic principles of the GATT. In this way we hope also to ease frictions between the members of the two groups.

The problem of world trade goes hand in hand with the complex and difficult problem of stimulating growth in the newly developing countries. This task will require the combined energies and talents of the entire free world for many years to come. The United States cannot provide the needed capital alone. We do not propose to diminish our own role. But Western Europe and Japan, because of the great improvement in their monetary reserves, are now financially capable of mounting a sizable effort which could powerfully assist our own, thereby greatly adding to the overall strength and cohesion of the free world.

There is also the problem of how the great energies of private enterprise—American, European, Canadian, and Japanese—can be mobilized for the development task. Ways must be found to increase the flow of private capital and initiative to the developing countries if the basic free-world resource we call private enterprise is to make its fullest contribution to growth. If we are to have the resources to do these things, our own growth in North America and in Western Europe must be accelerated.

There is still another long-range problem which the industrialized free nations will have to face with growing urgency in the years ahead. It is the acceptance into their own markets of raw commodities produced by the newly developing nations today and of the manufactured goods they will produce tomorrow. None of these nations will be satisfied to remain a one-commodity area

forever. They all insist on diversifying their economies and on raising their standards of living by industrialization and by world trade in a variety of goods.

New Approach to Economic Growth

These, then, are the major economic problems facing us as we enter the sixties. We in Government have asked ourselves three questions:

First, how can we help to redirect the emerging trade rivalries within Western Europe into constructive channels which will reinforce, rather than weaken, worldwide trade and will avoid the risk of serious harm to our exports and those of other friendly countries?

Second, how can we help mobilize the energies and resources of the other industrialized free nations to assist the development-hungry areas of the world?

Third, how can we work together to maintain a rapid rate of sustained growth in the economies of the industrialized free nations themselves?

In considering these questions, it is readily apparent that bold action is called for in the sixties, just as it was in the forties. We have responded with a new approach to the task of stimulating free-world economic growth—an approach designed to meet the problems of the future.

This approach, which I had the privilege of outlining last month in Paris⁴ before a special meeting of the 20 governments which are members or associates of the Organization for European Economic Cooperation, has three basic elements:

First, the linking of North America with our friends in Europe in terms of broad, coordinated economic policies which would provide for close cooperation in a wide range of matters. This involves reorganizing or reinvigorating the OEEC, which was originally established to assist in the most effective use of Marshall plan funds and which has continued to serve as a forum for cooperation in trade and other economic fields. A special committee of four, nominated by the United States, the United Kingdom, France, and Greece and roughly representative of the different economic interests in the OEEC, has been asked to determine how the work of the 18-member OEEC can best be revitalized and broadened through a successor organization in which the

⁴ BULLETIN of Feb. 1, 1960, p. 139.

United States and Canada would also become full members. OEEC has succeeded outstandingly in its major tasks, but many of the functions for which it was originally created have now been largely accomplished. It can, however, serve as the foundation for a reconstituted organization geared to the challenges of the sixties. The special committee is now consulting interested governments and organizations and is expected to report its preliminary findings to the 20 governments early in April.

The second element of our proposal is the establishment of an interim group where the nations best able to provide bilateral capital assistance to the developing countries can discuss common problems in this field. Such discussions are needed because the urgent task of increasing the overall level of assistance to the developing countries cannot await the formation of the new permanent organization. This interim development assistance group will include the United States, Belgium, Canada, France, Great Britain, the Federal Republic of Germany, Italy, Portugal, and a representative of the Commission of the European Economic Community. We also hope that Japan will join in its activities. The first meeting of the group, which is to be held in Washington next month, will launch a series of consultations in which we will exchange ideas and experiences with a view to increasing the total amount of assistance available for development purposes.

The third and final element of our proposal is an examination of the problems of commercial policy to which I have referred in connection with the Six and the Seven. The 20 governments and representatives of the Commission of the EEC which attended the meetings in Paris last month are participating in a committee on trade to look into these questions. In establishing the committee, it was agreed that it should also keep very much in mind the commercial interests of countries not included in the Six or the Seven. In line with this objective, the Executive Secretary of the GATT is to participate in the committee's discussions, which will begin some weeks hence.

I am pleased to be able to report that our initiative has been well received by our friends and allies. The Paris meetings at which agreement was reached on these three proposals took place only a month ago. Yet officials of the participat-

ing governments had scarcely returned to their desks before work began in earnest preparation for carrying out the tasks we have set for ourselves. Although we are embarked on long-range projects, we are approaching them with a sense of urgency which the problems of stimulating free-world economic growth in the sixties manifestly require.

We are looking forward with considerable anticipation to the results of these meetings, which have been launched in a genuine spirit of cooperation. We hope and expect that they will result in progress in coping with some of the free world's trade problems. Perhaps most important is the fact that there is now a great awareness in Western Europe of the increasing role which Europe is bound to play in providing assistance to the developing countries, and that there exists a very genuine desire on the part of the other capital-exporting nations to cooperate in this common endeavor which is so vital to the preservation of freedom.

We are indeed coming into a whole new era in free-world economic growth. We are on the threshold of a major breakthrough. If the response of our friends and allies to our initiative of last month is as constructive and as generous as I have reason to believe it will be, then we need have little fear for the future. The great steps we are about to take toward freer trade and accelerated economic progress can carry us forward to new heights of prosperity and well-being as members of a peaceful and secure community of free nations which offers maximum opportunity for every human being to know a better life.

King and Queen of Denmark To Visit the United States

White House press release dated February 24

The White House announced on February 24 that Their Majesties the King and Queen of Denmark have accepted the President's invitation to visit the United States. Their Majesties will be in the United States for a state visit beginning in early October. During the period of their stay King Frederik and Queen Ingrid will officially inaugurate the Danish exhibition "The Arts of Denmark" in New York City.

The American Role in Pacific Asian Affairs

by J. Graham Parsons

*Assistant Secretary for Far Eastern Affairs*¹

Mr. Chairman and members of the Wisconsin Bar Association, I wish to express my great appreciation to you for inviting me to be present as a speaker on foreign affairs. It is a privilege to be here before you to present the Department of State's case on matters which concern us all. We in the Department welcome such evidence of interest in the problems we deal with and value the opportunity of discussing with you some of the more pressing of these problems. For our part, we are ever mindful of the fact that "our business is your business" and that the way we handle this business is vital to all of us and to our children. We also realize that, if the policies we advocate and the actions we take do not have the understanding and support of the American people, we may not carry them forward but must find other courses which do have public support.

The Near West

The problems I deal with have to do with the Far East, as your chairman made clear in his introduction. It is a misnomer, however, for us in North America to speak of the "Far East." We Americans, who border on two great oceans, should more properly speak of the Far East as the "Near West." Actually, in the shrinking world of today, it *is* near. You can board an airliner hereabouts and be in Tokyo in 20 hours or so.

Apart from being 180° off course, there is another strike against the term "Far East." It is a European term, and it reminds Asians of the colonial past. That era is gone. Of the 11 Asian countries with which our bureau in the Depart-

ment deals, 8 are newly independent, while for the 3 who were sovereign before World War II—China, Japan, and Thailand—the circumstances are also vastly different from prewar days. The free peoples of Asia are determined to eliminate the remnants of colonialism, which is still a recent, unhappy memory and a sensitive subject. They may not express to us an aversion to the term "Far East," but I mention this as a reminder that the new and promising relationship we have with these Asian peoples requires a continuing sensitive adjustment on all fronts, political, economic, social, and psychological.

The Communist Threat

It is an unfortunate fact that the free countries of Asia have been born, or reincarnated, at a time of crisis in the history of mankind. Nationalism, that is to say, the aspiration of peoples to be themselves, is threatened by its antithesis, international communism. The threat is compounded of course by the Communist propaganda pretense of being the friend and benefactor of nationalism and the foe of "colonialism and imperialism." And yet, in the postwar period, it is the Communists who have taken over 12 countries and the former colonial powers who now have sovereign, equal relations with 33 countries, former dependencies.

Like all new things, these new countries were weak at birth. When our own country adopted its Constitution in 1789, it was no exception. We are all familiar with the difficulties our Founding Fathers faced in knitting together a united nation from 13 individual colonies. But we were protected by oceans and distance and had plenty of time at our disposal.

¹ Address made before the Wisconsin Bar Association at Milwaukee, Wis., on Feb. 19 (press release 76).

In contrast, a glance at a map will show us that the free countries of east and southeast Asia are all islands or peninsulas dispersed around the central land mass of Communist China, whose aim is to dominate and communize them. This is the fateful central fact with which our policy toward the region must deal. It explains why our China policy is intimately bound up with their political and economic futures and with the right of the peoples of this vast region to work out their destinies in freedom.

I have said that many of the new countries were weak at birth. Between them and Communist China there is an obvious imbalance of power which, if not redressed, renders their prospects precarious. This is a matter of great significance for the United States, and it led us to the conviction that our first task in the region is to assist the survival of these countries. That is why there is emphasis on military aspects in our aid programs and posture in the area. Security is the basic essential. First, as a necessary deterrent to Communist attacks, we maintain bases and sea power in the region from which our strength may be quickly projected to meet a variety of situations. Also to promote security we render assistance to local forces through our military assistance program so that these countries may increasingly guard against subversion within and interference from without. In addition we have concluded bilateral mutual defense treaties with some of these countries, including Japan, Korea, the Philippines, and the Republic of China. Finally, just as we and others joined NATO to provide collective security in the Atlantic area, so have we joined with seven other countries to form the Southeast Asia Treaty Organization.

It is sometimes argued that our policy is thus provocative to Communist China. Actually the exact reverse is true. Our collective security structure was developed only *after* unprovoked Communist aggression against Korea. Our mutual defense treaty with the Republic of China was drawn up only *after* Communist China's attacks on Quemoy in 1954. SEATO came into being only *after* the fall of Dien Bien Phu, when Communist armies were threatening to overrun all of southeast Asia.

Going even further back, we were aware of the Chinese Communist hostility toward ourselves and the free nations of Asia even before the Peiping regime came to power in 1949. For ex-

ample, an article written on November 1, 1948, by Liu Shao-chi, Communist China's Chief of State and second most powerful leader after Mao Tse-tung, declared that the world was divided into two mutually antagonistic camps—the so-called “anti-imperialist” camp headed by the Soviet Union and containing the so-called “peoples’ democracies” of Europe and Asia, and the “imperialist” camp made up of the United States and its “stooges.” Declaring that these two camps were in “intense conflict” and that neutrality was impossible, he called on the so-called “peoples’ democratic forces” in all countries to unite with the Soviet Union in order to “defeat the American imperialist plans for world enslavement.” This statement reveals clearly not only that Communist China was implacably hostile to ourselves and to our friends and allies but that the Peiping regime wanted us out of the western Pacific area so that our presence would not block its plans for future expansion.

There has been no change in Communist China's views. During the Taiwan Strait crisis of 1958, Mao Tse-tung said to a Communist news correspondent that it was the task of the people of the world, and particularly the peoples of Asia, Africa, and Latin America, to put an end to what he called “the aggression and oppression perpetrated by imperialism, namely the United States imperialism.” Repeatedly Peiping radio called upon us to leave the western Pacific.

Despite longstanding Chinese Communist hostility toward us, we did not automatically adopt a similar policy of hostility toward them. When they came to power, and in an attempt to sound out Peiping's intentions toward us, we left our diplomatic and consular representatives on the China mainland until they were driven out by deliberate Chinese Communist persecution. On January 5, 1950, President Truman made it clear in a public statement regarding Formosa² that the United States would not use its armed forces to interfere in the situation and would “not provide military aid or advice to Chinese forces on Formosa.” In a press conference on the same day the Secretary of State said: “We are not going to get involved militarily in any way on the Island of Formosa.” It was not until after the Communists began their aggression in Korea in June 1950 that President Truman sent the 7th

² BULLETIN of Jan. 16, 1950, p. 79.

Fleet into the Taiwan Strait area to protect the flank of the United Nations forces. Military aid to the Republic of China on Taiwan was begun only after the Chinese Communists' intervention in Korea.

This, then, is the origin of the so-called military preoccupation of the U.S. in east and south-east Asia. Out of the fires of Communist aggression in Korea and elsewhere we have forged a protective shield for ourselves and for our free Asian neighbors. It has served them—and us—well these past 5 years. We cannot afford to put it down until the threat to freedom abates.

Improving the Life of the Peoples of the Region

While our first task is contributing to the survival of these new countries, their peoples, like people everywhere, demand more than survival. After ages of relatively static, albeit highly developed, societies, they now have new horizons and they aspire to a better material, cultural, and spiritual life. As they succeed in this objective, both with our help and that of others similarly motivated, so will they consolidate the foundations of their national existence. Therefore, as our second major objective, we seek to promote self-sustaining economies to enable the free countries to achieve the rate of progress they desire without sacrificing human values as do the Communists. To the extent that we succeed in helping to promote the healthy growth of these new countries, the objectives of the international Communists become more difficult to attain.

The Chinese Communists recognize this and seek to prevent stabilization. It is for this reason that all along their borders truculence, aggressiveness, and constant military, economic, political, and psychological pressures are their order of the day—as, for instance, their probing action in the Taiwan Strait in 1958, their support for the Communist attacks in Laos in 1959, their political and economic pressures against Japan in 1958 and 1959, and their incursions along the Indian border in 1959. This is normal Chinese Communist behavior, which experience has taught us to expect regardless of any propaganda from Peiping about “peaceful coexistence” and the “Bandung spirit” and regardless of successive zigz and zags in their tactics of the moment.

A byproduct of such Communist Chinese activities is a growing awareness among Asian peoples of Communist China's motivations. Out of these

disillusioning Communist acts and our contrasting positive assistance has come a better understanding of our own motivations, of our willingness and ability to live up to our obligations, and of the contribution U.S. power makes to the security of each Asian nation threatened with Communist aggression. The well-known news correspondent, Ernest Lindley, recently wrote following a tour of free Asia that a pronounced trend is developing there toward a more realistic appreciation for and understanding of the United States and its role in deterring Communist aggression. If such a trend has developed, it could not have happened without the stimulus of policies and actions which we have initiated in the last decade.

What of the Future?

You may agree that “so far so good” but point out that no real solutions of our problems are in sight. Communist China exists and is growing stronger. We cannot afford to ignore or turn our backs on 600 million Chinese. You may suggest we must therefore have a new policy.

Let us take a look at that proposition. First of all, I think that one of our better qualities as Americans is the restless driving urge we seem to have for finding something better. On the other hand, when we are faced with a particularly stubborn problem, we must not let this urge lead us to advocate change just for the sake of change in the wishful hope that all will turn out for the best. Nor should we turn to a new policy on the mere assumption that, since the problem is still with us, the old policy must be ineffective. Before a group of lawyers such as this, I do not need to labor that point. However, having made it, I would like to go on and say that we would be derelict in our responsibility if we did not welcome constructive thinking from whatever quarter, did not search for new and promising ideas, did not keep our minds open, ready to agree when some new policy or course of action was demonstrably better adapted to serve the broad national interest. It is in that spirit that we try to approach this very vital problem of China policy.

A New China Policy?

During the last few months there have been a number of widely publicized proposals from various sources for a new China policy. Here with you I would like to take a look at one or two which

are both carefully prepared and which represent a variant of an often-proposed solution known as the "two Chinas" policy.

The proponents of the "two Chinas" solution argue somewhat as follows:

U.S. China policy has as its primary objective the containment of Communist China by isolating it from the rest of the world. Such a policy, they say, is unrealistic in that it ignores Communist China's rapid growth into a strong economic and political force in Asia which cannot for long be held back by anything we do from assuming an important international role; it cuts off all contacts between the 600 million people on the China mainland and the people of the United States; it precludes any chance of arriving at a modus vivendi with Communist China in which major issues separating Communist China and the United States may be settled by negotiation; and it is unpopular with our friends and allies. They conclude that the United States should abandon this policy, which, in their opinion, by its inflexibility only drives the Chinese Communists closer into the arms of the Soviet Union, and should explore more dynamic alternatives aimed at the establishment of a basis for negotiating at least some of our difficulties with the Peiping regime. In the meantime, since our support for Taiwan is one of the major sources of tension between Peiping and ourselves, the critics suggest that we should seek to create a situation in which we can maintain our commitments toward Taiwan as *Taiwan*, not as the representative of China, and in which Communist China can be accepted by us as the spokesman of the people on the China mainland.

I would like now to discuss this line of argument, point by point. First, we do not ignore Communist China's growth into a strong economic and political force; as a matter of prudence we must accept this fact and our policy seeks to deal with it. Indeed, it is imperative that all Americans understand that in this new decade of the sixties Communist China may well grow yet stronger and the threat it poses to its neighbors may become still more dangerous. Faced with this prospect our policy must continue to pro-

mote the development and strengthening of the free countries, not merely the "containment" of Red China.

Parenthetically, let me note here that the Draconian measures adopted by the Peiping regime to speed its industrialization campaign have unquestionably caused widespread resentment among the Chinese people, especially in the countryside, where most of the population dwells. Although the regime appears to be firmly entrenched, the possibility cannot be ruled out that the pent-up animosities of the people, especially if they should infect the armed forces, might bring about the violent destruction of the regime from within. We have seen before that police states can be brittle, hard without but rotting within. However, the point is that our China policy is not grounded in an expectation of collapse. It would be folly to base our policy on such calculations.

But simply because we cannot prevent Communist China from increasing its power in absolute terms does not mean that we should therefore abandon a policy which seeks to offset such growth; far less should we adopt measures which might abet it. So long as Peiping is dedicated to using its growing strength for aggressive purposes, we must adhere to measures designed to cope with that strength.

To saddle our policy with the responsibility for cutting off contact between the people of mainland China and the people of the U.S. is simply to ignore the record. I have already recalled that the U.S. retained its Embassy and principal consular establishments on the mainland following the imposition of Communist rule but that after some months we were compelled to withdraw them. At the same time many hundreds of private American citizens who had remained on the China mainland after the Communist takeover also found themselves systematically harried until they left, and American-supported institutions were liquidated or taken over by the Communists. Several dozen American citizens were imprisoned, and many others were subjected to other harassments. In short, the Peiping regime from its inception pursued a deliberate policy of obliterating contacts between the American and Chinese people which had been built up over a century. By the fall of 1950 we were engaged in bloody combat with so-called "volunteer" Chinese Communist forces in Korea. Under these circumstances it

was the duty of your State Department to prohibit American citizens to travel in Communist China, where they could obviously enjoy no semblance of protection.

Nevertheless, in the summer of 1957 the Department announced that it would validate passports for travel to Communist China for a substantial group of journalists.³ This move was made on an experimental basis. While under our laws the reciprocal admission of an equal number of Chinese correspondents cannot be guaranteed in advance, we have made it clear that the Secretary of State would be prepared to ask the Attorney General for waivers in individual cases. No Chinese Communist correspondent has applied for entry into the U.S., and, with one exception, no U.S. correspondent with a validated passport has been granted permission by the Chinese Communists to enter mainland China. It is clear that the whole issue was a typical Communist propaganda hoax and that the Peiping regime was not and is not really interested in an exchange of journalists with us. This, of course, is but one of many indications that the Chinese Communists do not relish objective inquiry, nor do they want contacts except on their terms.

The charge that our China policy precludes any chance of arriving at a *modus vivendi* with Communist China on major issues through negotiation again turns matters upside down. We have negotiated or attempted to negotiate with the Chinese Communists ever since 1953—or since 1951 if you include the protracted Korean armistice negotiations at Panmunjom. We have had, since 1955, 95 meetings in Geneva and Warsaw at the ambassadorial level. Our experience with these negotiations has demonstrated that the only *modus vivendi* that could be worked out with the Chinese Communists would be one based on surrender to their terms. These terms, when defined in their simplest form, are that the U.S. get out of the west Pacific and leave the countries of east and southeast Asia to cope with Peiping as best they can, separately and alone. Considering the vast disparity in power and resources between Communist China and the other countries of the region, such a retreat from responsibility on the part of the United States would be fatal. Yet this, in essence, is what Peiping offers us as a basis for negotiation.

³ *Ibid.*, Sept. 9, 1957, p. 420.

I will not deny that our China policy—at least some fundamental aspects of it, such as our opposition to seating the Peiping regime in the United Nations—has been unpopular in some countries. I do deny that differing views on China policy, for example with India, have been a significant stumbling block in our relations with such countries. Of much greater importance is the fact that countries in east and southeast Asia, who have felt and continue to feel threatened by Chinese Communist power, do not ask us to change our policy. In fact, any hint or rumor that we might retreat from it is a source of profound disquiet to them. It is significant, furthermore, that, in the area with which my bureau deals, 10 of the 13 countries do not recognize Communist China. Only one has recognized that regime since 1950. Moreover, as I have already noted, understanding and appreciation of our China policy has greatly increased in the area, particularly in the past year and a half, as a result of the growing awareness among its governments and peoples of the threat posed by Chinese Communist policy.

The claim that the Government of the Republic of China cannot adequately represent 600 million people on the mainland from whom it has been almost totally cut off for nearly 10 years is a plausible one. On the other hand, the Chinese Communist regime took power by force of arms and maintains itself by the highly developed and ruthlessly applied techniques of a police state. It is the Republic of China which adheres to the traditional values and culture of the gifted Chinese people, and even today I venture to say that it is more representative of the feelings and thoughts of the mass of the people than is the regime in Peiping. Indeed the very bitterness with which Peiping assails Taipei is evidence of the value of an alternate and truly Chinese focus of loyalty to Chinese everywhere, on the mainland, in southeast Asia, and overseas. It so happens that only 3 days ago, in his message on the Mutual Security Program,⁴ the President referred to the vigorous and skilled population on Taiwan, which through economic reform and development has achieved a standard of living in Asia second only to that of Japan. Under its leadership, which is derived from all parts of the country, the Republic of China has the potential, as the President

⁴ For text, see *ibid.*, Mar. 7, 1960, p. 369.

noted, for a pace and degree of development in excess of that under totalitarian methods.

I would like next to deal briefly with the proposition that U.S. policy has driven the Chinese Communist regime into the arms of the Soviet Union. Again the record refutes the charge. Long before our present China policy was evolved, the Chinese Communists lined themselves up solidly with the Soviet Union. This relationship was formally established by an alliance between Peiping and Moscow concluded in February 1950. At that time we were still maintaining consular establishments on the mainland and had publicly declared a hands-off policy with regard to Formosa. We had no prohibition against travel and no embargo on trade.

The Sino-Soviet alliance was a logical and inevitable consequence of a policy often proclaimed even before the Communists came to power. Mao Tse-tung, as well as Liu Shao-chi, had declared that the world was divided into two camps, socialist and imperialist, and that China would join the socialist camp headed by the Soviet Union. This fundamental decision of foreign policy (which, I repeat, long antedates the current China policy of the U.S.) springs from Mao's deep-rooted Marxist-Leninist convictions. The Chinese Communist Party was organized in 1921 with a Comintern agent named Maring playing a leading role. As late as 1927 directives to the Chinese Communist Party emanated from the Soviet Legation in Peking before it was closed by the Chinese authorities. The party has ever acknowledged Moscow as the head of the socialist camp, it has ever opposed what it calls imperialism, and it denies flatly that a third or neutral road exists.

It is true that recently we have seen some signs of differences between Mao Tse-tung and Khrushchev over interpretations of Communist doctrine and foreign policy tactics. Yet there has never been any convincing evidence that Mao has considered any other course than that of solid alignment with the Soviet Union, which each partner believes to be of great political, military, and economic advantage for his own purpose. In recent years, especially since the first Soviet sputnik in 1957, Mao has talked not just about inevitable Communist victory but has declared that the Communists are even now winning, or, to use his language, "The East wind is prevailing over the West wind." Mao's confidence that the tide

of Communist victory is now rushing in cannot be reconciled with any expectation that he is prepared to abandon a policy of alinement with Moscow if an acceptable *modus vivendi* could be worked out between Communist China and the U.S. Any U.S. effort to this end would inevitably be regarded as evidence of weakness and would be exploited to the utmost.

This brings me to the final argument advanced by these critics of our China policy, namely, that we should create a situation in which we can maintain our commitments to Taiwan as Taiwan and accept Peiping as the spokesman for mainland China. Offhand many people find this idea attractive, because it appears to reflect the situation as it actually exists, with the territory of China for 10 years now divided between two hostile groups. They therefore suggest the best way out of the dilemma, and the danger, posed by this situation is to work out an agreement which formalizes and accepts the *status quo* under appropriate guarantees. A basic weakness of this suggestion is that the "two Chinas" concept in any way, shape, or form is totally unacceptable both to the Republic of China and the Chinese Communist regime. It is in fact the one issue on which they agree. Ironically, one of Peiping's principal propaganda themes is that the United States is attempting to impose just such a solution. The Chinese Communists have made it repeatedly clear in every conceivable way that they will have nothing to do with such a proposal; yet it is constantly put forward by critics of our China policy as though it were a practical basis for negotiating a stable, lasting settlement. To propose as a serious basis for negotiation with Peiping a concept which it has repeatedly and vitriolically rejected and to which our ally, the Republic of China, is bitterly opposed, is merely to expose ourselves to ridicule by the Communists and to mistrust by our ally. We should also stop to consider the principle involved. Despite the disparity of its components, China is a divided country, just as are Viet-Nam and Korea—also Germany. Do we wish to advocate a similar solution repugnant to these allies too?

What we have done, and are doing, with regard to the Taiwan Strait problem, recognizing its inherent dangers, is to concentrate on mitigating them. To this end we have made it clear to Peiping we will not tolerate a solution by force.

When Peiping forced a crisis in late August 1958 in the Taiwan Strait, it saw that we were firm and it left off further probing. At the same time, in the Warsaw negotiations we have called upon the Chinese Communists to cease fire, to renounce force, and to seek a peaceful solution. On the other hand, by means of the joint communique issued by President Chiang and the late Secretary John Foster Dulles on October 23, 1958,⁵ the Republic of China made it clear that it would pursue its policies in the area primarily by political rather than military means.

Conclusion

This brings me to my conclusion in regard to China and the Far East—or Near West. It has two parts.

First, I share the conclusion of the Rockefeller Brothers Fund report on U.S. foreign policy:⁶ "Toward mainland China the alternatives of policy are, for the short run, lacking in creative possibilities."

Second, I am convinced that our China policy is not a thing which can be dealt with in isolation because it is intimately related to the future of the whole area. Viewed in this light it has demonstrated very real, creative possibilities. Under the policy which we have followed there has been survival, consolidation, and growth in the free countries of Asia, including the Republic of China. Communist aggression in Korea and Indochina has not again been attempted. Communist terrorists no longer run riot in Burma, Malaya, Indonesia, and the Philippines. Communist probes in the Taiwan Strait and Laos were damped down. This has permitted the work of creation to go on in the new countries and the work of sound re-creation to go on in Japan. Our policy and presence has redressed the balance in this great area in the critical and turbulent decade of the 1950's and has brought about a measure of stabilization. We must take care now not to unsettle the balance by other alternatives of policy which could under present circumstances have only disastrous possibilities for the cause of freedom.

Finally, under the present alternative of policy, there are further and great creative possibilities

for all of these free countries if, in our relations with them, we continue also our policies of collective security, of mutual assistance, of warm and sensitive appreciation of their aspirations and their problems, and of sympathetic understanding of their views of us. To believe less, to believe that a policy which has helped so much to take them and us this far will not take us further, is almost to deny faith in the capacity of free peoples to build their own lives under a free system. However, a great responsibility still rests upon us to endure, to be strong, to be patient, and to devote the resources required to meet this crucial and persistent challenge. I am sure that our country, which has done so much, will not falter.

U.S. Makes Annuity Payment to Republic of Panama

Press release 83 dated February 25

The Department of State announced on February 25 that it has paid the annuity of \$1,930,000 due the Republic of Panama in 1960. The remittance of this amount each year is provided for under the terms of treaties between the two countries with respect to the rights, powers, and privileges granted to the United States in the Canal Zone. Under the provisions of the Treaty of Mutual Understanding and Cooperation of 1955,¹ the amount of the annual payment was increased from \$430,000 to \$1,930,000.

Yugoslav Atomic Energy Officials Visit U.S.

Press release 86 dated February 26

A group of five officials representing the Yugoslav Federal Commission for Nuclear Energy is scheduled to arrive in the United States February 27. During a 3-week stay, the group will travel extensively and will have an opportunity to visit various installations of the Atomic Energy Commission as well as a commercial power plant utilizing atomic energy. They will also discuss with United States officials possible United States-

⁵ *Ibid.*, Nov. 10, 1958, p. 721.

⁶ *The Mid-Century Challenge to U.S. Foreign Policy*, Doubleday and Co., Inc., Garden City, N.Y.

¹ For text of the treaty and accompanying memorandum, see BULLETIN of Feb. 7, 1955, p. 238.

Yugoslav cooperation in the field of peaceful uses of atomic energy.

The group is headed by Slobodan Nakicenovic, Under Secretary of State in the Federal Commission for Nuclear Energy, and includes Salom Suica, Anton Moljk, Drago Baum, and Zdenko Dizdar.

It is expected that the visit will include stops

at Oak Ridge National Laboratory at Oak Ridge, Tenn., the Argonne National Laboratory at Lemont, Ill., the Dresden Nuclear Power Station of the Commonwealth Edison Company at Morris, Ill., the National Reactor Testing Station at Idaho Falls, Idaho, the Lawrence Radiation Laboratory at Berkeley, Calif., and the Brookhaven National Laboratory at Upton, N.Y.

Intelligence Estimating and National Security

by Allen W. Dulles

Director of Central Intelligence ¹

One of the most satisfying aspects of our work in the intelligence field has been the contribution that leaders in the field of science and technology have made to it. I have never known a time when we have called upon any of you and your colleagues in various fields of scientific endeavor without having a wholehearted response, no matter the time, the trouble, and the sacrifice involved. I want to thank you now and, through you, your colleagues in other scientific fields.

In the Central Intelligence Agency we have built up an Office of Scientific Intelligence under the able direction of Dr. Herbert Scoville. It is prepared to meet our growing responsibilities in the field of science and to serve as a point of liaison with you and others in the scientific community.

There is something about intelligence that seems to get into the blood.

My own relationship to intelligence goes back at least 40 years when as a young Foreign Service officer I became involved in intelligence work during World War I—first in Austria-Hungary before we entered the war, then in Switzerland, and later at the peace conference of Versailles in 1919.

Then again I came back to intelligence work for about 4 years in World War II. I shall not

soon forget the day back in the spring of 1943 when I secured my first hard evidence of the German development at Peenemunde of its missiles, the V-1 and the V-2. I can truthfully say that my background in missile intelligence goes back about 17 years. It remains our highest priority.

With the end of World War II, I settled back into the practice of the law. But again I could not resist the lure of the trade, and in 1948 I accepted President Truman's invitation to join with two fellow lawyers in preparing, for the National Security Council, a study on the legislation which had set up the Central Intelligence Agency. I refer to the National Security Act of 1947, which also established the Department of Defense, provided for the unification of the military services, and established the National Security Council.

The CIA had then been functioning only about a year, but the question was whether its legislative framework was adequate for the job. In due course, after a year of intermittent work, we submitted our report and considered our job completed. We had, however, committed the unpardonable sin of telling others how a job should be done. I warn you all not to do this unless you are looking for trouble.

Shortly after our report was filed in 1949, that dynamic military man and diplomat, General Bedell Smith, who is today fighting a brave, and

¹Address made before the Institute of Aeronautical Sciences at New York, N.Y., on Jan. 28.

I believe successful, battle against critical illness, was named Director of Central Intelligence. He dusted off the report of our little committee and in his inimitable manner called the authors of the report on the telephone and told us in no uncertain terms that we should come down to Washington for a few weeks and try to explain what we were trying to say and, if it made sense, help him put it into effect.

We could not fail to respond, and so about 10 years ago I went to work at the Central Intelligence Agency for a 6 weeks' tour of duty. I have been there ever since.

The years since 1947, when the CIA was organized, have hardly been sufficient to put everything in order. In fact, if in intelligence one ever reaches any such state of complacency, it's about time to have one's head examined. I do feel, however, that real progress has been made over the last dozen years, but intelligence will never be an exact science. It deals not only with the hardware of national power and of battle but with the vagaries and uncertainties of human beings and human decisions. There are always scores of intangibles and unpredictable and, in fact, "unknowables."

The best one can do is to see that one's batting average is relatively high, that the predictable and the calculable are stated with the degree of certainty that the evidence permits, and that the best that one can distill out of available facts is brought concisely, objectively, and quickly to those who have the responsibility for policy and action.

Courage is also needed. Intelligence officers are all too prone to write their estimates so that no matter what happens they will have covered themselves. With this I have no patience.

In this intelligence task science, technology, electronics, and the aeronautical and affiliated sciences play a major role. I regret to state that the days are gone where one could place chief reliance on such tools of collection as the wiles of a Mata Hari. The beats of an electronic signal have come into their own. It takes some of the glamour out of the profession, but these scientific techniques do add an element of more certainty. And in the age of jet propulsion and ballistic missiles, speed and precision of reporting are two of the vital elements of our security.

Of course as the means of intelligence collection become more highly mechanized and complicated, the cost of intelligence to the taxpayer, like every-

thing else, is ascending and there is a need constantly to justify the money and the manpower which is put into it. If there is abroad a general impression, as I sometimes read in the press, that the work and cost of intelligence collection must be taken solely on faith and on the claims of the intelligence officer, I should like to scotch any such idea. More and more in the budgetary processes of government we are called upon to justify in detail the work for which the taxpayer is paying by the results we are achieving.

Need for Intelligence Work

It is probably not necessary to explain to a gathering such as this the need for intelligence. Sometimes, however, I do feel that a good share of the public considers intelligence work as a collateral need rather than a direct and vital element of our national security. History, I think, clearly gives the lie to any such conclusion.

Sometime I should like to find the leisure to write a book on the impact of intelligence successes and failures on the course of history. One might start with the Trojan Horse in 1200 B.C., when no one would listen to Cassandra, and with the fatal campaign of the Athenians against Syracuse. Coming down to more modern times, one could debate the consequences of the miscalculation of the Kaiser in 1914, and of Hitler in World War II, and not overlook our own Pearl Harbors.

Then there are the spectacular successes, like those of the highly competent spies of Joshua, who found shelter in Jericho with Rahab, the harlot, and the much more recent feat of British intelligence in deciphering the Zimmermann telegram in 1917, and the American intelligence prelude to the great victory in the Battle of Midway.

In time of war intelligence is often dramatic. In peacetime good intelligence rarely is spectacular. It can and ought to be quiet, inconspicuous, painstaking, but also guiding and safeguarding. It should warn in advance and help to stave off crises. It should also help affirmatively toward the development of a dynamic policy and strategy. If it does its job properly, it may never need to be sensational; it should not be publicized.

It is not my contention that all of the failures could have turned into successes, even if the intelligence had been near perfection and been heeded and even if the political and military leaders of the past who were interpreting the intelli-

gence had always had the wisdom of Socrates. Neither situation prevailed.

It is my contention, however, that it is possible somewhat to narrow the range of miscalculation by the continual improving of our intelligence and by perfecting the methods by which we get that intelligence quickly and clearly to those who have the duty of making great decisions. Here we are making real progress.

The experience of World War II taught us something which countries like the United Kingdom and most of the major European powers had learned well before us, namely, that an effective intelligence system is important to national security. In reaching this same decision in 1947 we did not attempt, and, I believe, wisely, to create a unitary system. Rather it is a coordinated, integrated system. The Central Intelligence Agency has large responsibilities for coordinating the overall intelligence effort but does not supplant the work of other agencies.

U.S. Intelligence Board

In the United States Intelligence Board, over which I have the honor to preside, we bring together the intelligence representatives of the Department of State, the Department of Defense, the military services, and others who have capabilities in the collection field or in the analysis of intelligence. Included on the Board are representatives of the Federal Bureau of Investigation, to aid where domestic intelligence matters have international implications, and of the Atomic Energy Commission with its expertise in the nuclear field. Of course we draw upon the great knowledge and experience of private organizations such as those which so many of you represent, and we benefit from the wisdom of our scholastic and educational institutions.

The United States Intelligence Board has the responsibility for analyzing all relevant intelligence collected by, or available to, all agencies of government. The resultant product, in the form of coordinated memoranda and estimates, attempts to cover on a worldwide basis the developing trends, military, political, and economic, which bear upon our national security.

It is our purpose to get our estimates out in time to be of use. Post mortems of lost opportunities are valuable to help us improve for the future;

they are of little use in developing a policy for the present.

The responsibility for effecting the coordination of intelligence and issuing the resulting product lies with the Central Intelligence Agency.

Soviet Veil of Secrecy

The analysis of human behavior, the anticipation of human reactions in a given situation, can never be assigned to a computer machine and sometimes baffles the cleverest analyst. We have, it is true, drawn up long lists of crises indicators to be checked off in various situations where belligerent or hostile actions are threatened. These lists, based on long experience, are useful, but the future is rarely like the past; and we only have some 40 years' experience in dealing with international communism of the Moscow variety and 10 years' experience with communism directed from Peking.

Today in the Soviet Union more information is becoming available to the outside world than was the case in the past. This applies particularly to the development of Soviet peacetime economy, their competence in the various peaceful industrial fields, and their problems in trying to apply Marxist theories in agriculture, which has proved to be a costly and unsuccessful undertaking.

In the military area, however, the Soviets attempt, even today, to maintain as strict a veil of secrecy as in the old times of Stalin. As an exception, from time to time Mr. Khrushchev himself, as he has done in his own recent "state of the nation" address, tells us of his plans. Now he proposes to reduce his military manpower, to phase over from the bomber to the guided missile, and largely to abandon surface naval vessels and emphasize the submarine. Of course we have to analyze his statements in order to determine what part is hard fact and what part is said to beguile us.

The Kremlin's security is good, but a great deal is known to intelligence beyond the trickle of military information that is given out officially. In fact, the greater part of what Khrushchev has now told us about this military planning had been anticipated many months ago, and long since our estimates had been revised to take account of the slackening in aircraft production, the change in emphasis in the navy, and the Soviet's vigorous

and orderly program in the field of guided missiles.

The proposed reduction in military manpower comes somewhat belatedly as far as the Soviet Union is concerned. We ourselves had done this much earlier. For the Soviet it is in part a response to the change in emphasis as a result of new weaponry. It is also calculated to help meet the requirements of their industry for more manpower during this period when the Soviet is feeling the effects of the reduced birth rate of the war years.

Even after these announced reductions, however, we should not forget that the Soviets would retain a formidable balanced military establishment, in no way wholly dependent on their missile strength.

Assessing Soviet Capabilities and Intentions

The stress which Khrushchev has laid on ballistic missiles, or rockets, as he prefers to call them, and the resultant discussion in the Congress and in the press about where we stand in the missile race, has recently directed considerable attention to intelligence estimates. There seems to be some confusion about what I might call the methodology in their preparation. I should like to try to set this straight.

First: Our intelligence estimates do not attempt to give a comparative picture or net estimate as to where we stand vis-a-vis the U.S.S.R. in weaponry. We, in intelligence, are not authorities on American military programs. Naturally our own domestic experience and our knowledge as to the state of the art in this country are useful guides in judging others' capabilities. Our job is to determine where the Soviet Union now stands in the missile and other military fields and where it is going in the immediate future. We are not in the business of passing upon whether there is such a thing as a missile gap.

Second: The analysis of any given Soviet weapons system involves a number of judgments. These include, for example, Soviet capability to produce the system, probable Soviet inventories of the weapons system as of today, the role assigned to this system in Soviet military planning, the requirements the Soviet high command may lay down for the weapon over the future. All these judgments are to some degree interdependent. They lead to a calculation of how far and

how soon the Soviets are likely to develop the system. Manifestly this kind of estimating is of the highest importance to our own planning.

Third: It is difficult to predict how much emphasis will be given to any particular weapons system until the research and development stage has been completed, tests of effectiveness have been carried out, and the factories given the order to proceed with serial production. No group of people knows this better than you do as regards our own military program. Consequently in our estimates we generally stress capabilities in the early stages of Soviet weapons development, and then, as more hard facts are available, we estimate their probable programing, sometimes referred to as intentions.

Finally: What I am describing is not a new or novel procedure. Every estimate of this nature regarding military hardware, irrespective of the type of weapon, whether it be a missile, a submarine, or an airplane, goes through this general process of analysis in the intelligence community and has done so for many years. First we assess the Soviet capabilities in each of these fields, and then, as the evidence accumulates and as a pattern begins to emerge, we reach our estimate as to the likely construction program.

Intelligence Revisions Based on Soviet Cutbacks

The fact that in the later years of development we can crank into our estimates more of the elements of programing and future intentions than we can at the beginning does not indicate any change in the intelligence approach to the problem. It merely means that our sources of information in one year may permit of a judgment which is always needed by the planner but one which could not have been properly made earlier.

For example, in 1954 the Soviets began production of a heavy bomber comparable to our B-52. Every indication pointed to their having adopted this plane as a major element of their offensive strength and to an intention to produce these planes more or less as fast as they could. Based on our knowledge of their aircraft manufacturing industry we projected a buildup of this bomber force over the succeeding several years. We were certain that they had the *capability* to produce the numbers forecast; the available evidence indicated that they had the *intention* to translate this capability into a program.

But we naturally kept a close watch on the actual events. Production did not rise as rapidly as it could have. Evidence accumulated that the performance of the plane was less than satisfactory. Meanwhile we noted progress in their missile testing program. At some point, about 1957, the Soviet leaders decided that the heavy-bomber production should be held down to a minimum. In those days some people in this country were writing about the coming bomber gap.

As we gained evidence of that change in program, it became incumbent on us to revise our intelligence estimates, and we did so. The capability remained; the policy and hence the intent to go forward with the heavy bomber changed. This Khrushchev himself has now announced in his recent speech. In the field of naval surface forces and conventional submarines, Soviet policy went through a similar cycle in order to prepare for more sophisticated types of submarines. This has recently been alluded to by Khrushchev but was known to the intelligence community for many months.

No Tendency To Underestimate Soviet Progress

In citing these examples of cutbacks in the numbers of Soviet bombers and submarines, I do not wish to leave any impression that I think the Soviets will do the same in the long-range missile field. During this past year they have been carrying on an orderly program of flight-testing their missiles which permits certain conclusions to be drawn. Most recently, presumably for the propaganda effects they hope to gain and because they were running out of homeland space in which to test, they have advertised wherein the Pacific they proposed to target the tests of their space vehicles, or rockets, for the month ending February 15. Thus they flex their muscles in public, whereas in the past they have been doing it without publicity. They wish to call attention to the strength of their sinews.

There is no tendency in the intelligence community to underestimate Soviet sophistication in any phase of the missile field or the progress they have been making in developing their long-range missile system. We have not downgraded this system this year as contrasted with last year.

However, it would be just as wrong to let the Soviet talk the world into believing that the ICBM, powerful as it is, constitutes the only arma-

ment with which a country should equip itself. I believe that the Soviet are trying to take advantage of the publicity they have achieved with respect to both missile and space programs in order to make the unsophisticated believe that these achievements mean overall superiority in the military field. Such superiority, in the opinion of more qualified experts than I, does not exist.

Responsibility for Interpreting the Facts

In viewing problems such as the Soviet strategic attack capabilities with missiles and other weapons, we in the intelligence community are keenly aware of the impact which intelligence estimates may have upon our own military posture and our military programming. I can assure you that in preparing them we look to nothing but the available facts, disregarding all outside considerations, political, budgetary, or other. At times we have overestimated. At times we have underestimated. But looking back on the last few years with the benefit of hindsight, the record of estimating is creditable. Facts have no politics. We are diligently seeking and interpreting the facts without fear or favor.

As regards the influence of a particular department or service on our estimative process, I recognize that we are all human and have our prejudices and our strong convictions. I can also assure you that we have such a level of responsibility representing a broad cross section of both civilian and military participation on the United States Intelligence Board that there is little opportunity for parochial interests or considerations of any member to influence the final product. But if any member of the Board has a dissenting view on any issue, that member is entitled to express it as part of the estimate so that the policymaker can judge of it as such.

Feature of Accessibility

In addition to reaching sound intelligence judgments on the crucial issues of the day, the other major problem of the intelligence officer is to get the reports and estimates before the decision-making echelons of government. In our own Government this means, of course, that the intelligence goes primarily to the President, the Secretary of State, the Secretary of Defense, and the National Security Council. The latter is, in effect, the Pres-

ident in Council, to which the Central Intelligence Agency is under law primarily responsible. Of course, as we see today, intelligence is also made available to the Congress, as appropriate, to help in the legislative and appropriation processes.

Past history, as I suggested at the outset, is replete with instances where the intelligence was available but the intelligence officer fumbled in the handling of it, as well as instances where the intelligence was properly reported but not heeded.

At various times over the past 40 years I have served in one capacity or another under every President of the United States, beginning with Woodrow Wilson, and generally in some capacity related to intelligence. One of the great and continuing advantages we have enjoyed over our history is that we have been led by men who have come to their high positions deeply imbued with the democratic processes. As a part of this, our leaders have generally made themselves readily accessible to information from their subordinates and their intelligence officers. This feature of accessibility has been maintained by our Presidents despite the fact that the burdens on the Executive have been multiplying astronomically and the complexity of the problems before them, particularly in the field of our foreign relations, has been augmenting in geometric ratio. At the same time the period within which decisions have to be made has been steadily decreasing.

During the last 10 years that I have been in Washington, I have served under two Presidents of differing political parties. There never has been a time when the Director of Central Intelligence has not been able to get to the President in a matter of minutes on any issue that he considered of immediate importance.

Nor is this access limited to crises situations. On a daily basis we in the intelligence community have an opportunity to lay before the President and the leading officials of the Department of State, the Department of Defense, and the National Security Council our appraisals of unfolding events of policy significance. This is supplemented by weekly oral briefings which I give to the National Security Council, covering important current events or dealing with the intelligence background of policy decisions that may be before the Council. Issues in our foreign relations these days do not always wait for the painstaking preparation of elaborate staff papers.

We have no reason to complain that we lack adequate opportunity to market our product. We have every incentive to see to it that our product contributes to our national security.

Facing the Relentless Soviet Competition

Those who work on intelligence are sometimes viewed as prophets of gloom. Personally I am an optimist but also, I trust, a realist, as are my associates in the intelligence community. Sometimes we do have to be the harbingers of ill tidings because it is our duty to report on activities in other lands which might detrimentally affect our own national security.

Today we have on the world scene the Soviet Union, Communist China, and the Communist bloc with their dynamic industrial, economic, and military programs, spearheading and directing Communist parties, Communist intrigues, and Communist subversion on a worldwide basis. We must recognize that we face stern and relentless competition.

It is Khrushchev's present expressed intention that this should be competition short of all-out war, but whatever may be our views of his intentions, certainly no other "holds" will be barred. When he speaks of coexistence, it is the type of coexistence that will leave the Soviet free to press forward on their mission to communize the world.

Today in the free world we have a great lead in our industrial and economic strength. It is more than twice that of the Soviet Union; and if we include our allies in the free world, while adding to the Soviet the present potential of Communist China and the satellites, the lead of the free world is still greater.

On the other hand, the peoples in the Communist nations are being driven to work harder to make their Communist system a universal one than we are working to assure ourselves that these aggressive and subversive aims are defeated.

So far the Soviet have shown great ability to channel their growing resources into fields which build up their national power, including their military might. Their leaders have succeeded in persuading their people to be content with a much smaller share than we of consumer goods and of what we consider the essentials to a well-rounded life, so that they, the Soviets, can build up their heavy industry, turn out military hardware, and have plenty left over to support international com-

munism. We believe that the value of their total annual military outlay approximately equals our own.

There is no cause, therefore, for us to view the future with any easy complacency.

Most of you are in a field of work which is closely related to our national security. You have a keen knowledge both of our own potential and

of the nature of the Soviet competition. As you return home from this conference, I trust that you will review the problems we all face in the world of today and in the light of your own experience see whether you can come up with any further ideas as to how we can better prepare ourselves to meet the Soviet challenge within the framework of our free institutions.

THE CONGRESS

Foreign Relations Aspects of Pilotage Requirements for Oceangoing Vessels on the Great Lakes

Following is a statement made by Ivan B. White, Deputy Assistant Secretary for European Affairs, before the Merchant Marine and Fisheries Subcommittee of the Senate Committee on Interstate and Foreign Commerce on February 23 at a hearing on S. 3019, a bill "to provide for certain pilotage requirements in the navigation of United States waters of the Great Lakes, and for other purposes," together with the texts of aide memoire and supplementary letters exchanged between the United States and Canada.

Press release 79 dated February 23

STATEMENT BY MR. WHITE

My name is Ivan B. White, and I am Deputy Assistant Secretary of State for European Affairs. I appreciate having this opportunity to appear here in support of S. 3019.

The principal purposes of this bill are to establish pilotage requirements for oceangoing vessels in their navigation of United States waters of the Great Lakes and St. Lawrence River and to provide a basis for a regulated pilotage system to meet those requirements. Provision is made in the bill for the coordination of this system with a

regulated pilotage system of Canada in the Great Lakes waters of that country. As defined in the bill, the term "Great Lakes" means the Great Lakes, their connecting and tributary waters, the St. Lawrence River as far east as St. Regis, and adjacent port areas.

The foreign relations aspects of this bill are very important. Aside from any other considerations, the fact that United States-Canadian boundary waters are involved creates a practical necessity of having pilotage systems in the respective waters of the two countries which can be coordinated with each other. Moreover, previously proposed pilotage legislation has been the subject of protests from the Governments of Canada, Norway, Sweden, Denmark, Western Germany, the Netherlands, Ireland, Italy, and the United Kingdom.

Consequently, and in line with the indicated desire of this committee and in view of the amendment to H.R. 57 proposed by the House Committee on Merchant Marine and Fisheries, the Department entered into a joint effort with the Coast Guard and the Department of Commerce to develop a draft bill that would take into consideration the various factors which have a bearing on

the pilotage of oceangoing vessels in the Great Lakes.

The Bureau of the Budget has contributed effective assistance and advice in the development of the bill, and contacts outside the Government having practical experience in pilotage and shipping matters have furnished exceedingly helpful information. Testimony presented at past congressional committee hearings on previously proposed legislation has likewise been most useful.

Development of the Bill

In the course of the development of the bill, constructive discussions took place between United States and Canadian officials. These discussions resulted in general agreement on desirable legislation as well as on other requirements for coordination between the two countries to provide for compatible systems of Great Lakes pilotage. The results of these discussions are indicated in an exchange of aide memoire and supplementary letters, copies of which are being made available for the information of the committee.

S. 3019 is the outcome of these interdepartmental activities as well as the discussions with Canadian officials, in the course of both of which Admiral Richmond¹ made important contributions. My statement will deal chiefly with the general background of the bill and features of the bill that have a bearing upon foreign relations.

The bill takes into consideration the testimony of a majority of the witnesses at House committee hearings last year that provision should be made for a regulated system of pilotage. Most of these witnesses favored the establishment of a joint United States-Canadian commission for this purpose. However, differing ideas were expressed as to the functions and powers of such a commission.

A study which preceded the development of S. 3019 likewise indicated that regulation by some authority is a necessary concomitant of compulsory pilotage in order to assure the availability of an adequately organized group of experienced pilots who will render required services in an efficient manner at rates and terms which will be fair and equitable for all concerned. The experience of states on the seacoast over a period of many decades has demonstrated the need for such

regulation, not only in the interest of efficiency and economy but of marine safety as well.

In the case of the Great Lakes, the necessity for regulation is further emphasized by the need for coordination between the United States and Canada in pilotage matters. Canada has a system of pilotage which is regulated by the Department of Transport of the Canadian Government, and a regulated system of pilotage for United States waters will evidently be required to provide an effective basis for coordination which will provide for equitable participation by United States and Canadian pilots in the pilotage of ocean vessels navigating the lakes, as well as for compatibility in regulations and operational matters on both sides of the boundary.

In the development of the provisions of the bill with regard to the regulation of pilotage, we have had the benefit of expert information furnished by Captain Hilton Lowe, president of the American Pilots Association. As a result of the material obtained from this and other sources, including our Canadian friends, provision has been made in S. 3019 for a regulated system which incorporates essential elements of some State pilotage systems, with such adaptations as are required to meet conditions on the Great Lakes and coordination with the regulated system of Canada. Among these adaptations is the designation of the Secretary of Commerce as the regulatory authority instead of a commission, as proposed by witnesses at earlier congressional committee hearings. In this regard, a study indicated that regulation by a joint United States-Canada commission would apparently necessitate a considerable revision of existing jurisdictional arrangements as well as other adjustments in this country and possibly in Canada. In addition, a treaty or other form of intergovernmental agreement would have to be negotiated for the establishment of such a commission.

Moreover, problems would have to be solved in regard to powers, procedures, and mechanisms whereby the commission would reach decisions and deal with other matters which might involve differing conditions or problems in the two countries.

Under these circumstances, a lengthy period of research, discussion, and negotiation would in all likelihood be necessary as a preliminary to reaching an agreement that would provide for an effective joint commission. Taking all these

¹ Vice Adm. Alfred C. Richmond, Commandant, U.S. Coast Guard.

factors into consideration, coordination with Canada through separate but compatible regulations in each country was found to offer a more effective basis for a workable solution of regulatory problems within the foreseeable future.

Regulatory Authority of U.S. Secretary of Commerce

With respect to the regulation of pilotage in the United States waters of the Great Lakes by a United States commission, the conclusion was reached that the establishment of an independent agency of this kind would not be in accord with Federal administrative and organizational policies and would prove to be operationally more cumbersome than regulation within the Department of Commerce, which is already charged with responsibilities in regard to the economic aspects of shipping. Furthermore, the Secretary of Commerce is also charged with the direction and supervision of the wholly Government-owned Saint Lawrence Seaway Development Corporation.

In order to minimize adjustments and conflicts in departmental jurisdiction, the regulatory authority of the Secretary of Commerce does not extend to the issuance, revocation, or suspension of navigation or pilot licenses issued by the Coast Guard. Jurisdiction in regard to such licenses remains with the Coast Guard.

The Secretary of Commerce is authorized by S. 3019 to register holders of appropriate master's licenses issued by the Coast Guard for pilotage on the Great Lakes, on terms and conditions established by his regulations. Canada has indicated that it would be prepared to register Canadian pilots on a similar basis and to allow United States registered pilots to serve in Canadian waters on vessels to which the bill is applicable if Canadian registered pilots are similarly allowed to serve on such ships in United States waters. The bill provides for such reciprocity, and, for the purpose of providing for the equitable participation of United States and Canadian registered pilots, the Secretary of Commerce is authorized to arrange with the appropriate agency of Canada, which is understood to be the Department of Transport, for the number of pilots who shall be registered in each country.

A basic pattern similar to that of State pilotage systems and to elements of the Canadian pilotage system has been followed in provisions

of the bill for the creation of a pool or pools by a voluntary association or associations of United States registered pilots to provide the arrangements and facilities necessary for the efficient dispatching of vessels and the rendering of pilotage services required by the bill. The Secretary of Commerce is empowered to authorize the formation of such pools and to make regulations for their operation and to conduct inspections. He may require the pooling to be coordinated on a reciprocal basis with similar arrangements in Canada.

The Secretary of Commerce is authorized and directed to establish, by regulations, fair and equitable rates, charges, and any other conditions or terms for services performed by registered pilots to meet the provisions of the bill, giving due consideration to the public interest and the reasonable cost and expense of facilities and arrangements required for the efficient performance of those services. The Secretary is authorized to arrange with the Canadian agency for the establishment of joint or identical rates, charges, and any other conditions for registered pilots' services in the waters of the Great Lakes.

Any written arrangements between the Secretary of Commerce and the Canadian agency under the provisions of the bill would be subject to the concurrence of the Secretary of State.

Designation of Foreign Vessels and Restricted Waters

The bill provides that the President shall designate the United States waters of the Great Lakes in which registered vessels of the United States and those foreign vessels designated by him shall be required to have in their service a registered pilot to direct the navigation of the vessel, subject to the customary authority of the master. The purpose of this provision is to require ocean-going vessels of all nationalities to have in their service a pilot having adequate knowledge and experience of navigational difficulties in the waters so designated. These will be the waters more commonly referred to as "restricted waters."

The term "registered vessel of the United States" applies to American vessels engaged in foreign trade, as distinguished from vessels proceeding under "enrollment" when engaged in domestic trade between United States ports. Enrollment is also permitted under existing law for United States vessels engaged in foreign trade

between United States and Canadian ports on the Great Lakes and St. Lawrence River. With some exceptions, enrolled vessels navigating United States waters of the Great Lakes and St. Lawrence River must have a complement of officers holding Coast Guard pilot licenses for those waters.

The term "those foreign vessels designated by him" as used in section 3 of the bill is intended to mean in general all foreign ships operating in ocean routes. If the wording of the bill had been specifically limited to such ships, additions to or exceptions needed to deal with special cases that may have to be considered in the light of actual operations would not be possible without amending legislation. The provisions of the bill will not be applicable to Canadian "Lakers" and "Canalers" operating within the confines of the Great Lakes and St. Lawrence River so long as reciprocity is extended to enrolled United States vessels, as is indicated by another provision of the bill.

The bill provides that the designation of foreign vessels and restricted waters shall be made with due regard to the public interest, the effective utilization of navigable waters, marine safety, and the foreign relations of the United States.

In United States waters of the Great Lakes not designated by the President (i.e. so-called open waters of the lakes) vessels to which the bill is applicable will be required to carry a United States or Canadian registered pilot unless there is in the service of the vessel an officer who is qualified for the navigation of those waters and licensed by the Coast Guard or certificated by the appropriate agency of Canada, namely, the Department of Transport. It has been indicated in the aide memoire exchanged between the two Governments that the Canadian Government is prepared to recommend to Parliament the enactment of such legislation as may be considered necessary to provide for the certification of officers of the regular complement of oceangoing vessels who hold an appropriate master's license, who have had actual experience in the navigation of the open waters of the lakes through which these vessels will proceed, and who have a knowledge of the practice of following separate upbound and downbound courses on the lakes. In addition, such officers would be required to evidence by ex-

amination a working knowledge of the Great Lakes rules of the road and a sufficient command of English to use a radiotelephone.

Admittedly, the navigation of the open waters of the Great Lakes does not present the difficulties or require the same degree of specialized local knowledge and experience as the navigation of restricted waters. Informants who have had practical experience in the navigation of the Great Lakes have expressed the opinion that the foregoing qualifications and requirements would be sufficient from the standpoint of marine safety.

The foregoing statement will indicate the general features of the bill which have a foreign relations aspect. Provisions of the bill in regard to administration and enforcement have not been covered since some of these functions fall within the province of the Secretary of Commerce while others are the responsibility of the Coast Guard, both of whom are represented at today's hearing.

In conclusion, I should like to add that the Department of State supports this bill as providing a workable basis for establishing requirements and arrangements for the pilotage of ocean vessels navigating the United States waters of the Great Lakes which could be coordinated with a Canadian system of pilotage and would give due consideration to marine safety and other factors involved. Experience may show that amendments may be required in the future, but in the meantime the provisions of the bill will provide a reasonable basis for meeting the urgent need of filling the void in pilotage requirements for the shipping to which the bill will be applicable.

EXCHANGE OF AIDE MEMOIRE AND SUPPLEMENTARY LETTERS

U.S. Aide Memoire of February 19

In discussions of Great Lakes pilotage between United States and Canadian officials following the receipt of the Canadian Aide-Memoire of September 11, 1959,² the Canadian officials were informed of the provisions of a proposed draft bill on the subject which was prepared by representatives of interested agencies of the Government of the United States.

The principal purposes of the proposed bill were to establish certain pilotage requirements for the navigation of United States waters of the Great Lakes and the St. Lawrence River by vessels operating in ocean routes into

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and from the Great Lakes, and to provide a basis for a regulated system of pilotage to meet those requirements.

Provision was made for coordination of this pilotage system with a Canadian system on the basis of reciprocal recognition of, and equitable participation by, United States and Canadian pilots in the pilotage of the vessels to which the bill would be applicable. These pilots would be registered by an appropriate agency of their respective countries, and vessels to which the proposed bill would be applicable would be required to have registered pilots in their service for the navigation of designated United States waters. It is the understanding of the United States Government that Canada would also designate Canadian waters in which the services of registered pilots would be required.

In undesignated waters of the Great Lakes, the vessels to which the proposed bill would be applicable would be required to have on board either a registered pilot or an officer of their regular complement who would be qualified for the navigation of the undesignated waters and licensed either by the United States Coast Guard or the appropriate agency of Canada.

As a result of the above-mentioned discussions, the Canadian representatives indicated that their Government would be prepared to submit to Parliament legislative proposals which would effect coordination on the above-indicated basis, if the United States enacted legislation along the lines of the proposed draft bill. It is the United States Government's understanding that provision would be made to restrict the registration of Canadian pilots to persons, other than members of the regular complement of a vessel, who hold a master's certificate or equivalent license, unlimited as to tonnage, issued by the Department of Transport to authorize navigation of the Great Lakes and pilotage service on routes specified therein.

The term "equivalent license" as used in the proposed United States draft bill would mean a license issued to a St. Lawrence River pilot to authorize the navigation of those portions of the river specified therein. In this connection Canadian officials explained that St. Lawrence River pilots are specially trained for pilotage in the districts for which they are licensed, and that they are not required to obtain a master's certificate, although some do hold such a certificate. Under the proposed co-ordinated arrangements, Canada would register the holder of a St. Lawrence River pilot's license solely for pilotage service on that river.

The Canadian officials further indicated that the Canadian Government would include in proposed legislation such provisions as might be considered necessary to authorize the Department of Transport to issue certificates qualifying for the navigation of the "open" (i.e. undesignated) waters of the Great Lakes those officers of the regular complements of ocean vessels who meet the following requirements:

(1) Hold an appropriate certificate of competency as master, valid for voyages in any part of the world and issued or recognized by the country in which the ship is registered.

(2) Having the experience of at least two round trips, within the preceding two years, in the "open" or undesignated

waters of the Great Lakes where the vessel will be operating.

(3) Possess a working knowledge of the Great Lakes rules of the road as evidenced by examination.

(4) Have proficiency in the English language, to be tested also by examination, sufficient to make effective use of the radio-telephone.

(5) Have knowledge of the practice of following separate up-bound and down-bound courses on the Great Lakes, giving due regard to the suitability of such courses for deep draft vessels.

The substance of the proposed draft bill which was the subject of the above-mentioned discussions is now embodied in a bill introduced in the Senate as S. 3019. The Government of the United States would appreciate being informed as to the accuracy and applicability of the foregoing understanding of the intentions of the Canadian Government with respect to S. 3019.

DEPARTMENT OF STATE,
Washington, February 19, 1960.

Canadian Aide Memoire of February 19

An Aide-Memoire presented to the Canadian Embassy in Washington, by the Department of State on February 19, 1960, outlines the manner in which Canadian and United States legislation aimed at establishing certain pilotage requirements for the navigation of the waters of the Great Lakes and the St. Lawrence River could be co-ordinated if the legislative proposals contained in a Bill known as S-3019 are approved by the United States Congress. In the event that that Bill does become law in the United States, it is the intention of the Canadian Government to submit to the Canadian Parliament, legislative proposals which would effect just such a co-ordinated pilotage regime in the Great Lakes in the manner indicated in the United States Aide-Memoire.

THE CANADIAN EMBASSY
Washington, D.C., February 19, 1960.

Canadian Letter

1746 Massachusetts Ave., N.W.,
WASHINGTON 6, D.C.
February 19, 1960.

DEAR MR. WHITE: The agreement of the Canadian Government which is transmitted concurrently herewith to the terms of the Aide-Memoire in regard to the bill on Great Lakes Pilotage is subject to the following reservation. Section 9c of the bill does not fully meet the Canadian requirements in that lake vessels which occasionally operate through the St. Lawrence to the Maritime Provinces in the Canadian Coastal Trade are not covered. The Canadian Government considers that these vessels should be covered and understands that the United States officials concerned with this matter are sympathetic to the Canadian position.

During discussions between the appropriate officials of our two Governments, the United States officials indicated that the position of such vessels could be protected under Section 3a by not being designated pursuant to the Section.

We would appreciate receiving assurance that in the event S-3019 is enacted into law, the Department of State will recommend to the President that Canadian vessels operating primarily on the Great Lakes and St. Lawrence River which make occasional trips to the Canadian Maritime Provinces in the Canadian Coastal Trade be excluded from the designation of foreign vessels to be made by the President under Section 3a of the said bill.

Yours sincerely,

S. F. RAE,
Minister.

IVAN B. WHITE, Esq.,
Deputy Assistant Secretary,
Bureau of European Affairs (EUR),
Department of State,
Room 6164, New State Building
Washington, D.C.

U.S. Reply

FEBRUARY 19, 1960

DEAR MR. RAE: With reference to your letter of this date in which you request assurance that, in the event S. 3019 is enacted into law, the Department of State will recommend to the President that Canadian vessels operating primarily on the Great Lakes and St. Lawrence River which make occasional trips to the Canadian maritime provinces in the Canadian coastal trade be excluded from the designation of foreign vessels under Section 3(a) of the said bill, I take pleasure in stating that the Department will make such a recommendation.

Sincerely yours,

IVAN B. WHITE
Deputy Assistant Secretary of State
for European Affairs

The Honorable
SAUL F. RAE,
Minister,
Canadian Embassy,
Washington, D.C.

President Seeks Authority for U.S. Participation in IDA

Following is the text of the President's letter transmitting to Congress a special report on the proposed International Development Association prepared by the National Advisory Council on International Monetary and Financial Problems including, in an annex, a report of the Executive Directors of the International Bank and the Articles of Agreement of the IDA (H. Doc. 345, 86th Congress, 2d session).

White House press release dated February 18

To the Congress of the United States:

I herewith submit to the Congress the Articles of Agreement for the establishment of the Inter-

national Development Association.¹ I recommend legislation authorizing United States membership in the Association and providing for payment of the subscription obligations prescribed in the Articles of Agreement.

The Association is designed to assist the less-developed countries of the free world by increasing the flow of development capital on flexible terms. The advisability of such an institution was proposed by Senate Resolution 264 of 1958. Following this Resolution, the National Advisory Council on International Monetary and Financial Problems undertook a study of the question. The Council's conclusions and the favorable response of representatives of other governments who were consulted during the course of the study have resulted in the Articles of Agreement which satisfy the objectives of that Resolution and which I am submitting herewith. The accompanying Special Report of the Council describes the Articles in detail.

We all know that every country needs capital for growth but that the needs are greatest where income and savings are low. The less-developed countries need to secure from abroad large amounts of capital equipment to help in their development. Some part of this they can purchase with their current savings, some part they can borrow on conventional terms, and some part is provided by private foreign investors. But in many less-developed countries, the need for capital imports exceeds the amounts they can reasonably hope to secure through normal channels. The Association is a multilateral institution designed to provide a margin of finance that will allow them to go forward with sound projects that do not fully qualify for conventional loans.

In many messages to the Congress, I have emphasized the clear interest of the United States in the economic growth of the less-developed countries. Because of this fundamental truth the people of our country are attempting in a number of ways to promote such growth. Technical and economic aid is supplied under the Mutual Security Program. In addition, many projects are assisted by loans from the Export-Import Bank, and we also participate with other free world countries in the International Bank for Reconstruction and Development which is doing so much to channel funds, mainly from

¹ For background, see BULLETIN of Feb. 29, 1960, p. 345.

private sources, to the less-developed areas. While we have joined with the other American Republics in the Inter-American Development Bank, there is no wide international institution which, like our Development Loan Fund, can help finance sound projects requiring a broad flexibility in repayment terms, including repayment in the borrower's currency.

Conceived to meet this need, the International Development Association represents a joint determination by the economically advanced countries to help accelerate progress in the less-developed countries. It is highly gratifying that so many other free world countries are now ready to join with us in this objective.

The Association is a cooperative venture, to be financed by the member governments of the International Bank. It is to have initial subscriptions totaling one billion dollars, of which the subscription of the United States would be \$320.29 million and the subscriptions of the other economically-strong countries would be \$442.78 million. The funds made available by these countries would be freely convertible. The developing countries would subscribe \$236.93 million, of which ten per cent would be freely convertible. Members would pay their subscriptions over a five year period and would periodically re-examine the adequacy of the Association's resources.

The International Development Association thus establishes a mechanism whereby other nations can join in the task of providing capital to the less-developed areas on a flexible basis. Contribution by the less-developed countries themselves, moreover, is a desirable element of this new institution. In addition, the Association may accept supplementary resources provided by one member in the currency of another member. Thus, some part of the foreign currencies acquired by the United States primarily from its

sales of surplus agricultural commodities may be made available to the Association when desirable and agreed to by the member whose currency is involved.

The Articles of Agreement give the Association considerable scope in its lending operations so that it can respond to the varied needs of its members. And because it is to be an affiliate of the International Bank, it will benefit from the long and successful lending experience of the Bank. By combining the Bank's high standards with flexible repayment terms, it can help finance sound projects that cannot be undertaken by existing sources. With a framework that safeguards existing institutions and traditional forms of finance, the Association can both supplement and facilitate private investment. It will provide an extra margin of capital that can give further momentum to growth in the developing countries on terms that will not overburden their economies and their repayment capacities.

The peoples of the world will grow in freedom, toleration and respect for human dignity as they achieve reasonable economic and social progress under a free system. The further advance of the less-developed areas is of major importance to the nations of the free world, and the Association provides an international institution through which we may all effectively cooperate toward this end. It will perform a valuable service in promoting the economic growth and cohesion of the free world. I am convinced that participation by the United States is necessary, and I urge the Congress to act promptly to authorize the United States to join with the other free nations in the establishment of the Association.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
February 18, 1960.

Furthering Peace and Stability in the Middle East

FOURTH REPORT TO CONGRESS ON ACTIVITIES UNDER THE JOINT RESOLUTION TO PROMOTE PEACE AND STABILITY IN THE MIDDLE EAST¹

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

I am transmitting herewith the fourth report to the Congress covering activities through June 30, 1959, in furtherance of the purposes of the joint resolution to promote peace and stability in the Middle East. This report supplements earlier reports forwarded to the Congress.²

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 15, 1960.*

TEXT OF REPORT

CHAPTER 1—PROGRESS IN FURTHERANCE OF THE RESOLUTION

JULY 1, 1958, TO JUNE 30, 1959

House Joint Resolution 117,³ approved by the President March 9, 1957, continues as an important expression of U.S. policy toward the Middle East and as a repository of powers indispensable to U.S. efforts toward enhancing the stability and progress of this vital area of the world. The existence of the resolution remains as clear notice to the world and particularly the leaders of international communism that the United States retains a vital interest in the preservation of the independence and integrity of the nations of the Middle East. It authorizes U.S. cooperation with and assistance to nations of the Middle East in

development of their economic strength and directs continuance of U.S. support to the United Nations Emergency Force. Under the resolution's provisions the U.S. Government continues active pursuit of policies aiding world peace and the security of the United States.

The period covered by this report has witnessed a considerable metamorphosis of the situation prevailing in the Middle East, particularly among the Arab countries of the area. The progress registered under the resolution can be understood in the light of significant developments which have taken place.

June 30, 1958, found the Arab countries of the Middle East approaching a period of acute crisis. By the late spring and early summer of 1958 tension had increased sharply following the outbreak of armed insurrection in Lebanon. On May 22, 1958, the representative of Lebanon in the United Nations had requested an urgent meeting of the Security Council to consider the Lebanese situation which in the following weeks continued to deteriorate. The United Nations recognized Lebanon's difficulties by prompt dispatch of a military observer team, later substantially enlarged, to report on the extent to which infiltration was affecting the struggle in Lebanon.

Subsequently events occurred elsewhere in the Near East which underscored the seriousness of the threat against Lebanon. On July 14, 1958, the Government of Iraq was overthrown in a violent coup and a new revolutionary regime established. At the same time a plot to overthrow the Government of Jordan came to light. In the face of this situation the President of Lebanon, with the support of the Lebanese Cabinet, requested immediate military assistance from the

¹ H. Doc. 342, 86th Cong., 2d sess.; transmitted on Feb. 15, 1960.

² For texts of previous reports, see BULLETIN of Aug. 26, 1957, p. 339; Mar. 31, 1958, p. 524; and Feb. 2, 1959, p. 169.

³ For text, see *ibid.*, Mar. 25, 1957, p. 481.

United States. This call was answered promptly. On July 15 U.S. troops landed in Lebanon.

In a message to Congress on July 15, 1958,⁴ the President declared that, given the developments in Iraq, measures previously taken by the United Nations Security Council had not been sufficient to preserve the independence and integrity of Lebanon. The President declared that U.S. forces were being dispatched to protect American lives and by their presence to assist the Government of Lebanon in the preservation of Lebanon's territorial integrity and independence.

In an address to the Nation⁵ explaining U.S. actions the President noted that the Congress had in the Middle East resolution declared that—

the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

The President stated further:

I believe that the presence of the U.S. forces now being sent to Lebanon will have a stabilizing effect which will preserve the independence and integrity of Lebanon. It will also afford an increased measure of security to the thousands of Americans who reside in Lebanon.

The President also announced that the United States would immediately report its action to an emergency session of the Security Council and that we would support in the United Nations measures which would enable the U.S. forces to be withdrawn promptly. After the Soviet Union vetoed a resolution which asked the Secretary General to take measures to insure the independence of Lebanon, the Secretary General announced that on his own authority under the United Nations Charter he intended to develop the United Nations Observation Group further.

On August 8 an emergency special session of the General Assembly was convened to discuss the developments in the Middle East. President Eisenhower delivered a major address to the Assembly.⁶ During this session, the 10 Arab member States presented a joint resolution⁷ as their solution to the problem of Lebanon and Jordan. This resolution emphasized the need for respect for each other's systems of government and non-interference in each other's internal affairs. Their resolution was adopted unanimously on August 21.

⁴*Ibid.*, Aug. 4, 1958, p. 182.

⁵*Ibid.*, p. 183.

⁶*Ibid.*, Sept. 1, 1958, p. 337.

⁷For text, see *ibid.*, Sept. 15, 1958, p. 411.

Following the establishment of a negotiated peace between the warring factions in Lebanon and the election of a new government by the Lebanese Parliament, U.S. forces commenced their withdrawal which was completed by October 25, 1958. The performance of our Army, Navy, and Marine forces while on Lebanese soil was exemplary. Their stay of over 3 months passed without serious untoward incident of any kind. British forces requested by the Jordanian Government to assist it in maintenance of Jordanian independence had all been returned to British bases by November 2, 1958.

The stabilizing result envisioned by the President at the time of the U.S. troop landings in Lebanon proved in fact to be an enduring reality in the ensuing months. The government chosen by the Lebanese Parliament in the autumn of 1958 continued in power in Lebanon on June 30, 1959. The increased stability and security enjoyed by the Governments of Lebanon and Jordan has been accompanied by substantial abatement of area tensions. Lebanon's relations with the United Arab Republic have substantially improved over what they had been a year previously. Similarly there has been a growth toward more normal relations between the United Arab Republic and Jordan. This growth in mutual respect and understanding among Arab countries has been accompanied by an increased awareness on their part of the dangers of international communism.

While there has been subsidence of the tensions and conflict which in mid-1958 facilitated possible aggression by international communism, yet the forces of the latter have not abated their efforts to find areas of the Middle East where they can establish a firm footing. The Communists continue vigorous political activity within several of the Middle Eastern countries under conditions allowing them differing degrees of latitude. The Sino-Soviet bloc persists in attempts to draw the nations of the Middle East into its orbit by a variety of means, including extensive propaganda, trade agreements, and military and economic assistance programs. In general, however, Communist advances have been slight and apparent gains of influence in some parts of the region have been offset by losses elsewhere.

In the meantime, it can be stated that the bold action taken in Lebanon by the U.S. Government has had a salutary effect in impressing the peoples

of the Middle East and elsewhere that the United States is a tried and true friend of nations seeking to preserve their independence and integrity. Our forces answered the appeal of the Government of Lebanon promptly and when their mission was accomplished they were withdrawn, proving false beyond doubt the charges of "imperialism" so glibly disseminated by international communism. While this successful U.S. action was not directly based on the joint resolution, it was fully in accord with that resolution and in particular with the resolution's declaration that—the United States regards as vital to the national interest and world peace the preservation of the integrity and independence of the nations of the Middle East.

CHAPTER 2—ECONOMIC AND MILITARY ASSISTANCE

The resolution authorizes the President to cooperate and assist any nation in the general area in the development of its economic strength. During the period under review the United States continued the fulfilling of commitments for economic aid made during the fiscal year 1957 pursuant to section 3 of the resolution. This, however, was but a small part of the economic cooperation with the nations of the area.

In the regular administration of the Mutual Security Act, substantial funds were used in a manner to carry out the purposes of that act and which also furthered those of the Middle East resolution. Defense support aid was extended to some of these countries. Much of the local currency counterpart was used toward meeting the budget cost of the armed forces, while the foreign exchange received in this aid was an important factor in enabling them to continue their development of economic strength. The aid extended to other Middle Eastern countries as special assistance has also furthered economic growth and the maintenance of stability. There seems to have been increased awareness by some of the governments in the area of dangers in cooperating with international communism, and aid from the United States has supported them in maintaining their independence, as well as in their economic growth.

CHAPTER 3—ACTION PURSUANT TO SECTION 4 OF THE RESOLUTION

Section 4 of the resolution states that the President should continue to furnish facilities and military assistance to the United Nations Emergency

Force in the Middle East with a view to maintaining the truce in that region. On May 26, 1959, the United States transmitted to the Secretary General a check in the amount of \$4,943,146 for this purpose, representing the U.S. assessment for 1959. This check brought the total U.S. contributions to the United Nations Emergency Force, both assessed and voluntary, to \$30,887,559 through fiscal year 1959.

In addition, from the establishment of United Nations Emergency Force, to June 30, 1959, the United States has made available to the force on a reimbursable basis supplies, equipment, and services valued at \$6,800,893. As of June 30, 1959, the United Nations has compensated the United States for this material and services to the amount of \$6,760,584.

Congressional Documents Relating to Foreign Policy

86th Congress, 2d Session

Agreement on Importation of Educational, Scientific, and Cultural Materials. Hearing before the Senate Foreign Relations Committee. January 26, 1960. 52 pp.
Foreign Service Annuities. Hearing before the Subcommittee on State Department Organization and Foreign Operations of the House Committee on Foreign Affairs on S. 1502, a bill to provide for adjustments in the annuities under the Foreign Service Retirement and Disability System. January 28, 1960. 8 pp.

The Agreement on the Importation of Educational, Scientific, and Cultural Materials. Report to accompany Ex. I, 86th Cong., 1st sess. S. Ex. Rept. 1. February 8, 1960. 4 pp.

Broadcasting Agreements. Report to accompany S. Ex. A, 82d Congress, 1st session, and S. Ex. G, 85th Congress, 1st session. S. Ex. Rept. 2. Feb. 11, 1960. 9 pp.

Fifth NATO Parliamentarians' Conference. Report of the U.S. Senate delegation to the 5th conference of members of parliaments from the NATO countries held at Washington November 16-20, 1959. S. Doc. 82. February 11, 1960. 13 pp.

Parliamentary Conferences With Mexico. Report to accompany H. J. Res. 283. S. Rept. 1082. February 11, 1960. 2 pp.

United States-Latin American Relations. Problems of Latin American Economic Development. A study prepared at the request of the Subcommittee on American Republics Affairs of the Senate Committee on Foreign Relations by the University of Oregon, Institute of International Studies and Overseas Administration, pursuant to S. Res. 330, 85th Cong., and S. Res. 31, 86th Cong. No. 6. February 11, 1960. 140 pp. [Committee print]

United States Foreign Policy. U.S.S.R. and Eastern Europe. A study prepared at the request of the Senate Committee on Foreign Relations by a Columbia-Harvard research group under the administration of Columbia University, pursuant to S. Res. 336, 85th Cong., and S. Res. 31, 86th Cong. No. 11. February 14, 1960. 80 pp. [Committee print]

Meeting the Economic Problems of the Americas

Remarks by Robert B. Anderson
Secretary of the Treasury¹

First of all, I wish to express our deep appreciation to the Government and people of El Salvador who are making us feel so much at home in this beautiful capital city. It is a great pleasure for me to have the opportunity of meeting once again with so many of my colleagues from Latin America in one of the American Republics. We are here for an important purpose; yet I am happy that, thanks to the excellent work which was done in advance—first, by the Negotiating Committee and, more recently, by the Preparatory Committee—we have not found our task so burdensome that we were unable to enjoy the delightful climate and the gracious hospitality of our hosts.

This meeting is truly a momentous one for all of our countries. The inauguration of the Inter-American Development Bank brings into being an institution that should become a dramatic instrument of responsible and progressive financial cooperation among the American Republics. It was a little more than 2 years ago that many of us were present in Buenos Aires when the Conference of Ministers of Finance and Economy adopted the resolution which has led directly to this meeting. As time is measured in international affairs of this nature, we have moved swiftly.

We have also moved with sure and careful steps. In the United States we were able to submit the agreement creating the Inter-American Bank to the Congress of our country in full confidence that we were presenting a workable blueprint for a dynamic institution through which

the countries of the Americas could further implement and improve their mutual cooperation in the field of economic development. I am sure this has been true for each of you in presenting the agreement to your own governments.

The agreement, as you know, is drawn in broad terms in order to leave a large measure of flexibility in carrying out the day-to-day work of the institution. This, I believe, is the most practicable way to insure that the institution can be a vital force in a changing world.

The Washington meeting which negotiated the agreement creating the Bank² is a good augury for the future. Many divergent points of view were brought to the meeting; yet, above all, there prevailed a spirit of effective cooperation and of mutual devotion to a basic common goal which has produced an instrument well conceived to help meet the economic problem of the Americas.

From all of this we can see that, while the road ahead is not easy, there is sound cause for optimism. The creation of the Bank does not in itself solve any of the problems with which we are all so concerned; yet it does provide us with an effective framework in which men of good will can join with the confidence that through the exercise of thought, diligence, and mutual respect they can achieve great benefit for their peoples.

In the context of these thoughts, let us look at a few of the problems of the future. It is essential, in my opinion, that the Bank should build its organization with great care. We should be concerned as much with the position and prestige which this Bank will enjoy in the decades ahead as with the speed with which it undertakes its first operations. It is a matter of overriding importance that through sound planning and sound operations this new institution should earn the confidence of the credit markets of the world.

Another matter to which the most careful attention must be given from the outset is that of relationships between the Bank and other institu-

¹ Made at the fourth plenary session of the first meeting of the Board of Governors of the Inter-American Development Bank at San Salvador on Feb. 8. For background, see BULLETIN of Feb. 15, 1960, p. 263, and Feb. 29, 1960, p. 344.

² *Ibid.*, May 4, 1959, p. 646.

tions, both national and international, which are already providing capital for the development of the Americas. A deep concern of many of our representatives, both in the Negotiating Committee and in the Committee of Twenty-one, which endorsed the idea of establishing this Bank, was that the total of public and private funds available for development in Latin America should be increased. Nothing would be gained, they wisely pointed out, if lending by the Inter-American Development Bank should simply replace lending by existing national or international institutions. It should be emphasized in this regard that, in addition to its own lending operations, the Bank can serve valuably by assisting in the sound planning of projects and by helping to develop other appropriate sources of financing for such projects.

We shall have to marshal all our experience and ingenuity in order for the Bank to realize this aim—that of effectively augmenting and not merely supplanting existing resources. The same spirit of cooperation and good will which characterized the preparation of the agreement for the Bank will, I am sure, enable us to arrive at a solution which is both acceptable and fruitful to our member countries.

It should be recognized that, by its very charter, the Bank is a pioneer in one kind of economic-development financing. The Bank's Fund for Special Operations represents the first concrete realization by a multilateral organization of an approach to development which is sure to be extremely significant.

As we envision the future of the Bank, we can see many other questions to which it must devote its attention. It is obvious, for example, that the Bank should so shape its policies and practices that it will help attract a far greater volume of capital investments of all kinds into Latin America than it would be able to finance solely with its own resources. The total capital sought for industrialization, agricultural expansion and diversification, transportation, power, and other purposes is many times the figure represented by the capital of this Bank. A major share of the capital needed must be raised within the area where the investment is to take place. The Bank should always be alert to assist in stimulating the formation and channeling of internal capital into useful, productive development projects.

In considering the formation of capital, it is imperative that we not overlook the necessity of

linking economic stability with dynamic growth. The rate of economic development in the future for all countries depends on a high rate of saving and capital formation in the present. The will to save must not be impaired. The need for a stable currency cannot be ignored in any country, either industrialized or less developed.

Mr. Chairman, there are many other problems which could be discussed. However, it seems more fitting that today we should give our main attention to the fact we are meeting on a most auspicious occasion. We are celebrating an outstanding event in the economic history of the world.

The noble purpose for which we are assembled has great promise of good for all the people of the Americas. In the spirit of devotion and mutuality which has characterized the Bank, we will go forward together to realize these objectives in ever-increasing measure.

Fifth Anniversary of CENTO

Following is an exchange of messages between Secretary Herter and M. O. A. Baig, Secretary General of the Central Treaty Organization, Ankara, Turkey.¹

Press release 82 dated February 24

Secretary Herter to Mr. Baig

FEBRUARY 19, 1960

In extending best wishes to CENTO on its fifth anniversary I would like to re-emphasize the importance which the United States attaches to the Central Treaty Organization. Today, as in the past, CENTO is a voluntary association of free states organized in accordance with the United Nations Charter for the maintenance of their independence. The contribution which CENTO is making to the peace and stability of the Middle East area is an inescapable fact. Although not a member of CENTO, the United States has supported the organization's efforts from its inception and not quite a year ago joined with Iran, Pakistan and Turkey in separate bilateral executive agreements² directed toward promotion of

¹ CENTO, formerly the Baghdad Pact, celebrated its fifth anniversary on Feb. 24.

² For text, see BULLETIN of Mar. 23, 1959, p. 417.

their collective security. In further evidence of its continuing support, the United States has contributed significantly toward strengthening the joint economic and defensive capabilities of CENTO's regional members. To the extent that appropriations and its global commitments allow, the United States will continue to work with CENTO in promoting the security and economic well-being of its member states.

Mr. Rosta to Secretary Herter

FEBRUARY 22, 1960

On behalf of CENTO I thank you, Mr. Secretary of State, for your message of good wishes to this organization. It is the known support of the United States of America to the cause of freedom everywhere that has done so much to maintain it. This region moreover has benefited greatly from the generous contributions of your country in material help and technical knowledge. CENTO looks forward to lasting peace and security in close and confident association with the United States.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 3 February 1960 From the Acting Permanent Representative of Israel Addressed to the President of the Security Council. Concerning Action on the Israel-Syrian Frontier. S/4264. February 4, 1960. 5 pp.

General Assembly

Application of the State of the Cameroons for Admission to Membership in the United Nations. Letter dated January 13, 1960, from the Prime Minister of the State of the Cameroons addressed to the Secretary-General. A/4357. January 20, 1960. 1 p.

Application of the State of the Cameroons for Admission to Membership in the United Nations. Letter dated January 26, 1960, from the President of the Security Council to the Secretary-General. A/4358. February 1, 1960. 1 p.

Second United Nations Conference on the Law of the Sea. Synoptical table concerning the breadth and juridical status of the territorial sea and adjacent zones. A/CONF. 19/4. February 8, 1960. 14 pp.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

March 14, 1960

Second United Nations Conference on the Law of the Sea. Supplement to Laws and Regulations on the Regime of the Territorial Sea (United Nations Legislative Series). A/CONF. 19/5. February 10, 1960. 36 pp.

Economic and Social Council

Economic Commission for Latin America. The Influence of the Common Market on the Economic Development of Latin America. E/CN.12/C.1/13. April 28, 1959. 80 pp.

Economic Commission for Africa. Problems Concerning Techniques of Development Programming in African Countries. Prepared by the Secretariat for the meeting of experts on techniques of development programming in Africa. E/CN.14/42/Add.1. December 18, 1959. 109 pp.

Programme Appraisal 1959-1964: Work of the United Nations in the Economic, Social and Human Rights Fields. E/3260/Rev. 1. December 21, 1959. 80 pp.

TREATY INFORMATION

U.S. and Australia To Expand Joint Efforts in Space Research

Press release 85 dated February 25

The Department of State and the National Aeronautics and Space Administration announced on February 25 that Australia and the United States have signed an agreement which will extend the cooperative efforts of the two nations in space research. The agreement, which was signed at Canberra on February 26, provides for the continued operation of tracking stations established during the International Geophysical Year and the establishment of tracking facilities for Project Mercury and deep-space probes.

Operation of the minitrack station and the Baker-Nunn camera optical tracking stations at Woomera will be continued. Tracking stations at Perth and Woomera will be established for Project Mercury, the U.S.-manned satellite program. A tracking facility also will be established at Woomera for deep-space probes.

Under the terms of the agreement the United States will provide electronic equipment; Australia will provide sites for the tracking facilities and assist in their operation and maintenance. Australian scientists will be able to use each established station for independent scientific activities when the stations are not being used for a U.S. program.

Current Actions

BILATERAL

MULTILATERAL

Cultural Relations

Agreement on the importation of educational, scientific, and cultural materials, and protocol. Done at Lake Success November 22, 1950. Entered into force May 21, 1952.¹

Senate advice and consent to ratification given: February 23, 1960.

Narcotics

Protocol amending the agreements, conventions, and protocols on narcotic drugs concluded at The Hague January 23, 1912 (38 Stat. 1912), at Geneva February 11, 1925,¹ February 19, 1925,¹ and July 13, 1931 (48 Stat. 1543), at Bangkok November 27, 1931,¹ and at Geneva June 26, 1936.¹ Signed at Lake Success December 11, 1946. Entered into force December 11, 1946. TIAS 1671 and 1859.

Notification from the Federal Republic of Germany of application to: Land Berlin, August 12, 1959.

Protocol bringing under international control drugs outside the scope of the convention limiting the manufacture and regulating the distribution of narcotic drugs concluded at Geneva July 13, 1931 (48 Stat. 1543), as amended (61 Stat. 2230; 62 Stat. 1796). Done at Paris November 19, 1948. Entered into force December 1, 1949. TIAS 2308.

Notification from the Federal Republic of Germany of application to: Land Berlin, September 12, 1959.

Property

Convention for the protection of industrial property. Signed at London June 2, 1934. Entered into force August 1, 1938. 53 Stat. 1748.

Adherence effective: San Marino, March 4, 1960.

Sugar

International sugar agreement of 1958. Done at London December 1, 1958. Entered into force January 1, 1959; for the United States October 9, 1959. TIAS 4389.

Ratifications and acceptances deposited: Japan, May 1, 1959; Nicaragua, September 14, 1959.

Telecommunication

North American regional broadcasting agreement and final protocol. Signed at Washington November 15, 1950.²

Senate advice and consent to ratification given: February 23, 1960.

Trade and Commerce

Declaration on the provisional accession of Israel to the General Agreement on Tariffs and Trade. Done at Geneva May 29, 1959. Entered into force October 9, 1959; for the United States December 19, 1959. TIAS 4384.

Signature (subject to ratification): Luxembourg, January 18, 1960.

Wheat

International wheat agreement, 1959, with annex. Opened for signature at Washington April 6 through 24, 1959. Entered into force July 16, 1959, for part I and parts III to VIII, and August 1, 1959, for part II. TIAS 4302.

Acceptances deposited: Korea, February 23, 1960; Haiti, February 24, 1960.

Accession deposited: Venezuela, February 11, 1960.

¹ Not in force for the United States.

² Not in force.

El Salvador

Agreement relating to the guaranty of private investments. Signed at San Salvador January 29, 1960. Enters into force on date of United States note acknowledging receipt of notification from El Salvador that the agreement has been ratified in accordance with its constitutional procedures.

Mexico

Agreement concerning radio broadcasting in standard broadcasting band, and six annexes. Signed at Mexico January 29, 1957.²

Senate advice and consent to ratification given: February 23, 1960.

United Kingdom

Agreement relating to the extension to certain British territories of the income tax convention of April 16, 1945, as modified (TIAS 1546, 3165, and 4124). Effected by exchange of notes at Washington August 19, 1957, and December 3, 1958. TIAS 4141.

Notification by United Kingdom of completion, on or before December 31, 1958, of measures necessary to give effect to agreement in: Cyprus, Federation of Nigeria, Montserrat, and St. Vincent.

Agreement amending the agreement of January 30 and February 3, 1958 (TIAS 3989), relating to the sale to the United Kingdom for sterling of fruit and fruit products. Effected by exchange of notes at London January 28 and February 4, 1960. Entered into force February 4, 1960.

Agreement amending and extending the agreement of December 30, 1958 (TIAS 4155), for the establishment and operation of rawinsonde observation stations on Jamaica and on Grand Cayman Island. Effected by exchange of notes at Washington February 15, 1960. Entered into force February 15, 1960.

DEPARTMENT AND FOREIGN SERVICE

Designations

Charles P. Fossum as Director, U.S. Operations Mission, Colombia, effective February 21, 1960. (For biographic details, see Department of State press release 60 dated February 12.)

Parker G. Montgomery as Special Assistant to the Secretary of State, effective February 23. (For biographic details, see Department of State press release 96 dated March 2.)

Harold S. Nelson as Director, U.S. Operations Mission, Lebanon, effective February 28. (For biographic details, see Department of State press release 84 dated February 25.)

Frank G. Siscoe as Director, East-West Contacts Staff, effective February 15.

Resignations

Robert B. Menapace as Deputy Managing Director of the Development Loan Fund, effective February 23.

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Check List of Department of State Press Releases: February 22-28

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C. Releases issued prior to February 22 which appear in this issue of the BULLETIN are Nos. 76 and 77 of February 19.

No.	Date	Subject
79	2/23	Deputy Assistant Secretary White: statement on Great Lakes pilotage.
*80	2/23	Swearing in of Grady, ICA deputy director (biographic details).
*81	2/23	Educational exchange (U.A.R.).
82	2/24	Herter, Baig: messages on CENTO anniversary.
83	2/25	Annuity paid to Panama.
*84	2/25	Swearing in of Nelson, director, USOM, Lebanon (biographic details).
85	2/25	U.S.-Australian agreement on additional tracking stations.
86	2/26	Visit of Yugoslav atomic energy officials.

* Not printed.



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